SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A, AS AMENDED

ANNUAL REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SECTION 141 OF THE CORPORATION CODE OF THE PHILIPPINES

1. For the fiscal year ended
   May 31, 2018
2. SEC Identification Number
   PW538
3. BIR Tax Identification No.
   000-225-442
4. Exact name of issuer as specified in its charter
   FAR EASTERN UNIVERSITY, INC.
5. Province, country or other jurisdiction of incorporation or organization
   Philippines
6. Industry Classification Code(SEC Use Only)

7. Address of principal office
   Nicanor Reyes Street, Sampaloc, Manila
   Postal Code
   1015
8. Issuer's telephone number, including area code
   (632) 849-4000
9. Former name or former address, and former fiscal year, if changed since last report
   -
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON	16,477,023

11. Are any or all of registrant's securities listed on a Stock Exchange?
    ☑ Yes ☐ No
    If yes, state the name of such stock exchange and the classes of securities listed therein:
    Philippine Stock Exchange, Inc.
12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports)

☑ Yes ☐ No

(b) has been subject to such filing requirements for the past ninety (90) days

☑ Yes ☐ No

13. State the aggregate market value of the voting stock held by non-affiliates of the registrant. The aggregate market value shall be computed by reference to the price at which the stock was sold, or the average bid and asked prices of such stock, as of a specified date within sixty (60) days prior to the date of filing. If a determination as to whether a particular person or entity is an affiliate cannot be made without involving unreasonable effort and expense, the aggregate market value of the common stock held by non-affiliates may be calculated on the basis of assumptions reasonable under the circumstances, provided the assumptions are set forth in this Form

None

APPLICABLE ONLY TO ISSUERS INVOLVED IN INSOLVENCY SUSPENSION OF PAYMENTS PROCEEDINGS DURING THE PRECEDING FIVE YEARS

14. Check whether the issuer has filed all documents and reports required to be filed by Section 17 of the Code subsequent to the distribution of securities under a plan confirmed by a court or the Commission.

☐ Yes ☑ No

DOCUMENTS INCORPORATED BY REFERENCE

15. If any of the following documents are incorporated by reference, briefly describe them and identify the part of SEC Form 17-A into which the document is incorporated:

(a) Any annual report to security holders

N/A

(b) Any information statement filed pursuant to SRC Rule 20

N/A

(c) Any prospectus filed pursuant to SRC Rule 8.1

N/A

Far Eastern University, Incorporated
FEU

PSE Disclosure Form 17-1 - Annual Report
References: SRC Rule 17 and
Section 17.2 and 17.8 of the Revised Disclosure Rules

For the fiscal year ended	May 31, 2018
Currency	Philippine Peso

Balance Sheet

	Year Ending	Previous Year Ending
	May 31, 2018	May 31, 2017
Current Assets	4,990,263,830	5,032,298,714
Total Assets	13,187,394,408	11,959,843,136
Current Liabilities	2,742,460,623	1,444,880,685
Total Liabilities	4,145,997,280	3,137,217,789
Retained Earnings/(Deficit)	5,357,541,295	5,128,123,327
Stockholders' Equity	9,041,397,128	8,822,625,347
Stockholders' Equity - Parent	6,862,186,284	6,712,118,277
Book Value Per Share	550	537

Income Statement

	Year Ending	Previous Year Ending
	May 31, 2018	May 31, 2017
Gross Revenue	2,666,207,852	2,862,821,122
Gross Expense	2,182,296,116	2,095,567,965
Non-Operating Income	251,698,279	249,390,430
Non-Operating Expense	95,469,160	88,908,479
Income/(Loss) Before Tax	640,140,855	927,735,108

Income Tax Expense	92,509,844	121,282,797
Net Income/(Loss) After Tax	547,631,011	806,452,311
Net Income/(Loss) Attributable to Parent Equity Holder	492,229,280	749,519,197
Earnings/(Loss) Per Share (Basic)	29.96	45.61
Earnings/(Loss) Per Share (Diluted)	29.96	45.61

Financial Ratios

	Formula	**Fiscal Year Ended**	**Previous Fiscal Year**
		May 31, 2018	May 31, 2017
Liquidity Analysis Ratios:			
; ; Current Ratio or Working Capital Ratio	**Current Assets / Current Liabilities**	1.82	3.48
; ; Quick Ratio	**(Current Assets - Inventory - Prepayments) / Current Liabilities**	1.62	3.01
; ; Solvency Ratio	**Total Assets / Total Liabilities**	3.18	3.81
Financial Leverage Ratios			
; ; Debt Ratio	**Total Debt/Total Assets**	0.31	0.26
; ; Debt-to-Equity Ratio	**Total Debt/Total Stockholders' Equity**	0.46	0.36
; ; Interest Coverage	**Earnings Before Interest and Taxes (EBIT) / Interest Charges**	8.64	20.84
; ; Asset to Equity Ratio	**Total Assets / Total Stockholders' Equity**	1.46	1.36
Profitability Ratios			
; ; Gross Profit Margin	**Sales - Cost of Goods Sold or Cost of Service / Sales**	-	-
; ; Net Profit Margin	**Net Profit / Sales**	0.21	0.28
; ; Return on Assets	**Net Income / Total Assets**	0.04	0.07
; ; Return on Equity	**Net Income / Total Stockholders' Equity**	0.06	0.09
Price/Earnings Ratio	**Price Per Share / Earnings Per Common Share**	30.38	21.27

Other Relevant Information
-

Filed on behalf by:

Name	Santiago Jr. Garcia
Designation	Corporate Secretary/Compliance Officer

FAR EASTERN UNIVERSITY

Nicanor Reyes Street
Sampaloc, Manila
P.O. Box 609 Philippines 1015
(+63 2) 735 5621
www.feu.edu.ph

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17 - A

ANNUAL REPORT PURSUANT TO SECTION 17
OF THE SECURITIES REGULATION CODE
AND SECTION 141 OF THE CORPORATION CODE

1. For the fiscal year ended **May 31, 2018**

2. SEC Identification Number **538**

3. BIR Tax Identification No. **000-225-442**

4. Exact name of registrant as specified in its charter **Far Eastern University, Inc.**

5. PHILIPPINES
Province, Country or other jurisdiction of incorporation or organization

6. /______________/ (SEC use only)
Industry Classification Code:

7. **Nicanor Reyes Street, Sampaloc, Manila** — **1015**
Address of principal office — Postal Code

8. **(632) 849-4000**
Issuer's telephone number including area code

9. **NOT APPLICABLE**
Former name, former address, and former fiscal year, if changed since last report.

10. Securities registered pursuant to Sections 8 and 12 of the SRC, or Sec. 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock, ₱100.00 par value	**16,477,023**
Bond with Non-Detachable Warrant, ₱1.00 per unit	Not Applicable

11. All securities (common shares) are listed with the Philippine Stock Exchange, Inc.

12. Check whether the registrant:

    (a) has filed reports required to be filed by Section I7 of the SRC and SRC Rule 17 thereunder and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports);

    Yes **[x]** No [ ]

13. The aggregate market value of the voting stock held by non-affiliates: **None**

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PART I – BUSINESS AND GENERAL INFORMATION

Item 1. Business

Far Eastern University, Inc., was incorporated in **1933**. It operates Far Eastern University in Manila, and is the majority shareholder of East Asia Computer Center, Inc. (EACCI); FEU Alabang, Inc.; Far Eastern College Silang, Inc.; FEU High School, Inc.; and Roosevelt College, Inc. In turn, EACCI is doing business under the names and styles FEU Institute of Technology and FEU Diliman, while Far Eastern College Silang, Inc., uses FEU Cavite.

Brief Discussion of Business

I. FAR EASTERN UNIVERSITY

Far Eastern University (FEU) was founded in 1928 as a private, non-sectarian institution of learning. Guided by the core values of Fortitude, Excellence, and Uprightness, it aims to be a university of choice in Asia. Committed to the highest intellectual, moral, and cultural standards, the university strives to produce principled and professionally competent graduates; and it nurtures a service-oriented and environment-conscious community that seeks to contribute to the advancement of the global society.

Tuition and other fees, which are the main sources of its financial stability, are moderate and subject to government regulation. Full and partial scholarship grants are also awarded to deserving students.

FEU maintains excellent facilities to best serve the schooling experience of its students. These include, among others, a library with an expanding electronic footprint; laboratories of various types; audio-visual and multi-media rooms including smart classrooms; conference, meeting, and multi-function rooms; auditoriums, gyms, and other sports facilities; a clinic; an information-technology enabled gate security system; and an integrated cloud-based, enterprise-software (NetSuite) enrollment and financial system. All classrooms are spacious and air-conditioned – the ambient temperature powered campus-wide by an environmentally friendly and, apparently thus far, the only district-cooling system in the Philippines. It also uses a state-of-the-art learning management system, Canvas of Instructure.

The university's high standard of quality is substantiated by numerous recognitions from the Commission on Higher Education (CHED) as well as accrediting bodies such as the Philippine Association of Colleges and Universities Commission on Accreditation (PACUCOA) and the Philippine Accrediting Association of Schools, Colleges, and Universities (PAASCU). It is one of only six Philippine universities that is a member of the ASEAN University Network – Quality Assurance (AUN-QA).

CHED conferred on FEU (Manila) the autonomous university status on July 25, 2012. Using the stricter quality-assurance framework of CHED Memorandum Order 46 Series of 2012, the Commission reaffirmed this status (per CHED Memorandum Order 20 Series of 2016) on April 1, 2016, extending it until May 31, 2019.

Product: An educational institution composed of seven institutes and an extension campus (in Makati), the university offers the following baccalaureate and graduate programs:

A. Institute of Accounts, Business, and Finance (IABF)

Baccalaureate Programs:

- Bachelor of Science in Accountancy
- Bachelor of Science in Business Administration major in Business Economics
- Bachelor of Science in Business Administration major in Business Management
- Bachelor of Science in Business Administration major in Financial Management
- Bachelor of Science in Business Administration major in Human Resource Development Management
- Bachelor of Science in Business Administration major in Internal Auditing (leading to the Bachelor of Science in Accountancy)
- Bachelor of Science in Business Administration major in Legal Management
- Bachelor of Science in Business Administration major in Marketing Management
- Bachelor of Science in Business Administration major in Operations Management

Baccalaureate Programs (Makati campus):

- Bachelor of Science in Accountancy
- Bachelor of Science in Accounting Technology
- Bachelor of Science in Business Administration major in Business Economics
- Bachelor of Science in Business Administration major in Business Management
- Bachelor of Science in Business Administration major in Financial Management
- Bachelor of Science in Business Administration major in Human Resource Development Management
- Bachelor of Science in Business Administration major in Legal Management
- Bachelor of Science in Business Administration major in Marketing Management
- Bachelor of Science in Business Administration major in Operations Management
- Bachelor of Science in Information Technology

Graduate Program (Makati campus):

- Master in Business Administration

B. Institute of Architecture and Fine Arts (IARFA)

Baccalaureate Programs:

- Bachelor of Fine Arts major in Advertising Arts
- Bachelor of Fine Arts major in Painting
- Bachelor of Science in Architecture

C. Institute of Arts and Sciences (IAS)

Baccalaureate Programs:

- Bachelor of Arts in Communication
- Bachelor of Arts in English Language
- Bachelor of Arts in Interdisciplinary Studies
- Bachelor of Arts in International Studies
- Bachelor of Arts in Literature
- Bachelor of Arts in Political Science
- Bachelor of Science in Applied Mathematics with Information Technology
- Bachelor of Science in Biology
- Bachelor of Science in Medical Technology
- Bachelor of Science in Psychology

Graduate Programs:

- Doctor of Philosophy in Psychology major in Clinical Psychology
- Doctor of Philosophy in Psychology major in Forensic Psychology
- Doctor of Philosophy in Psychology major in Industrial Psychology
- Master of Arts in Communication
- Master of Arts major in Letters
- Master of Arts in Psychology specialization in Clinical Psychology
- Master of Arts in Psychology specialization in Industrial Psychology
- Master of Science in Biology

D. Institute of Education (IE)

Baccalaureate Programs:

- Bachelor of Elementary Education major in General Education
- Bachelor of Elementary Education major in Preschool Education
- Bachelor of Elementary Education major in Special Education
- Bachelor of Physical Education major in School Physical Education
- Bachelor of Secondary Education major in English
- Bachelor of Secondary Education major in General Science
- Bachelor of Secondary Education major in Mathematics
- Bachelor of Bachelor of Secondary Education major in Sports and Recreational Management

Certificate Program:

- Teacher Certificate Program

Graduate Programs:

- Doctor of Education major in Curriculum and Instruction
- Doctor of Education major in Educational Administration
- Doctor of Education major in Language and Literature Education
- Master of Arts in Education major in Curriculum and Instruction
- Master of Arts in Education major in Educational Administration
- Master of Arts in Education major in English Language Teaching
- Master of Arts in Education major in Literature and Language Education (English)
- Master of Arts in Education major in Special Education
- Master in Physical Education

E. Institute of Law (IL)

Graduate Programs (Makati campus):

- Bachelor of Laws
- Juris Doctor

F. Institute of Nursing (IN)

Baccalaureate Program:

- Bachelor of Science in Nursing

Graduate programs:

- Master of Arts in Nursing specialized in Community Health
- Master of Arts in Nursing specialized in Maternal-Child Health
- Master of Arts in Nursing specialized in Medical-Surgical Nursing
- Master of Arts in Nursing specialized in Mental Health and Psychiatric Nursing
- Master of Arts in Nursing specialized in Nursing Systems Administration

G. Institute of Tourism and Hotel Management (ITHM)

Baccalaureate Programs:

- Bachelor of Science in Hotel and Restaurant Management
- Bachelor of Science in Tourism Management

All of these academic program offerings were approved and/or granted permits by the CHED, the Legal Education Board (in the case of the Bachelor of Laws and Juris Doctor programs), and other relevant government agencies.

Program Accreditations

Far Eastern University continuously strives for excellence in teaching, research and development, and extension work. Validations of this institutional effort include CHED's citations of (a) the teacher-education programs of the IE as a Center of Excellence and (b) the Bachelor of Science in Business Administration program of the IABF as a Center of Development.

Local Accreditations

Almost all of the academic programs in the Manila campus are accredited by PACUCOA. The following programs have PACUCOA Level IV accreditation status (the highest), for the period December 2015 to December 2020:

- Bachelor of Arts in Communication
- Bachelor of Elementary Education
- Bachelor of Science in Accountancy
- Bachelor of Science in Applied Mathematics with Information Technology
- Bachelor of Science in Biology
- Bachelor of Science in Business Administration
- Bachelor of Science in Psychology
- Bachelor of Secondary Education

The Bachelor of Science in Nursing is the only academic program in the Manila campus that is accredited by PAASCU. It has Level III Reaccredited status for the period August 2018 to November 2021.

Programs with PACUCOA Level II first-reaccreditation status are as follows:

- February 2017 – February 2022:
    - Doctor of Education
    - Master of Arts in Education
    - Master of Arts in Psychology
- September 2015 – September 2018
    - Bachelor of Arts in English Language
    - Bachelor of Arts in Literature
    - Bachelor of Arts in Political Science
    - Bachelor of Science in Tourism Management

Programs with PACUCOA Level I formal-accreditation status are as follows:

- November 2016 – September 2019
    - Bachelor of Arts in Hotel and Restaurant Management
    - Bachelor of Arts in International Studies
    - Bachelor of Fine Arts
    - Bachelor of Science in Medical Technology
- February 2017 – September 2020
    - Bachelor of Science in Architecture

In addition, two graduate programs were granted Candidate status by PACUCOA from May 2018 to May 2020:

- MS Biology
- MA Communication

Three programs of FEU Makati were granted Candidate status by PACUCOA effective March 2017 to March 2019:

- Bachelor of Science in Accountancy
- Bachelor of Science in Accounting Technology
- Bachelor of Science in Business Administration

International Accreditations

Far Eastern University is a member of the ASEAN University Network – Quality Assurance (AUN-QA) and the Association to Advance Collegiate Schools of Business (AACSB).

ITHM's Bachelor of Science in Tourism Management program is also accredited by the Asia-Pacific Institute for Events Management (APIEM) as a Center of Excellence, effective February 2017 to February 2021.

Both PAASCU and PACUCOA recommend the accreditation status they have assessed for an academic program to the Federation of Accrediting Agencies of the Philippines (FAAP), which is recognized by CHED to approve and issue the certification of said accreditation status. A detailed description of the various program accreditation levels may be found in CMO 1 Series of 2005.

Distribution methods of the products/services:

Since this is an educational institution, its services are certainly focused on the students.

The tuition of students in the following Institutes significantly (10% and up) contributed to the revenues of the University:

Institute	Percentage to Revenues
Institute of Arts and Sciences	31%
Institute of Accounts, Business and Finance	31%
Institute of Tourism and Hotel Management	17%
Institute of Architecture and Fine Arts	13%

Customers: Students

Purchases of Raw Materials: NOT APPLICABLE

Distribution methods of the products/services:

Since this is an educational institution, its services are certainly focused on the students.

Competition:

Since the school which is the main core of the business is situated in the University Belt, the competitors are prestigious colleges and universities within the specified area. FEU can effectively compete with these institutions of learning because of its well-modulated tuition fees subject to government regulations, air-conditioned classrooms, electronic library and continuous improvement of physical plant and facilities. Diverse scholarships are also offered and a magnificent line-up of cultural performances for the whole year is presented, free for all students. Moreover, the University recently acquired the Level III re-accredited status for most of its Liberal Arts and Commerce programs.

Whistle-Blowing Policy

The company encourages responsible whistle blowers and gives them adequate protection. On the other hand, irresponsible and indiscriminate accusations are netted the corresponding sanctions.

Affiliates and Subsidiaries

EAST ASIA COMPUTER CENTER, INC. (EACCI)

Although incorporated in 1992, East Asia Computer Center, Inc. (EACCI), started doing business under the name and style FEU Institute of Technology (or "FIT" or "FEU Tech") only in 2014. In March 2018, it began to use the name and style FEU Diliman as well.

I. FEU INSTITUTE OF TECHNOLOGY

FEU Tech is a private, non-sectarian institution that provides quality education in the fields of engineering and information technology. It is housed in two buildings: the Technology Building of the FEU Manila campus along Nicanor Reyes Street and the 17-story FEU Tech Building on P. Paredes Street. The school's facilities include well-equipped, air-conditioned classrooms, laboratories, and engineering workshops; a library with a large collection of digital media; a covered gym; a 25-meter four-lane swimming pool; study areas for both individual and collaborative work; exhibit areas; and multi-function rooms. Other notable features include scenic elevators; an e-building high-tech security system; and an observation deck that provides a scenic view of the Manila landscape.

FEU Tech offers innovative academic programs that are complemented by strong industry and academic partnerships, which provide students additional opportunities for immersive learning experiences. Students receive real-world training and work experience from an intense and well-designed internship program with industry partners – a network of some 800 technology and engineering corporations nationwide. In addition, study abroad and internship abroad programs allow students to learn and be immersed in multicultural environments and cultures with partner schools in Taiwan and Korea.

FEU Tech offers the following programs and specializations:

College of Engineering:

- Bachelor of Science in Civil Engineering
- Bachelor of Science in Computer Engineering
- Bachelor of Science in Electronics Engineering
- Bachelor of Science in Electrical Engineering
- Bachelor of Science in Mechanical Engineering

College of Computer Studies:

- Bachelor of Science in Computer Science, with specialization in:
  - *Software Engineering*
  - *Business Analytics*
- Bachelor of Science in Information Technology, with specialization in:
  - *Animation and Game Development*
  - *Digital Arts*
  - *Service Management and/or Business Analytics*
  - *Web and Mobile Applications*
- Bachelor of Science in Entertainment and Multimedia Computing, with specialization in:
  - *Digital Animation Technology*

II. FEU DILIMAN

FEU Diliman is a private, non-sectarian educational institution with a 10-hectare campus that is located in in Mapayapa Village, Quezon City. Its offerings cover the full spectrum of kindergarten, grade school, junior high school, senior high school, and college.

For basic education, FEU Diliman delivers an advanced curriculum in English, Science, and Mathematics, which integrates 21st-century skills development. Students are provided with holistic development through engagement in sports, culture, values formation, and socio-civic activities and programs. Value-added courses are embedded primarily to prepare the FEU Diliman basic education graduates to pursue higher education in the top universities of the country.

For higher education, FEU Diliman is working toward becoming a professional institution that is recognized for the business and information technology fusion of its academic programs. Professional core courses for technical proficiency and internship for real-world practice form the core of the curriculum. Technology-driven, non-traditional delivery strategies allow higher levels of student engagement and motivation to achieve the intended learning goals. Graduates are envisioned to be technology-empowered, highly qualified, and principled professionals and leaders poised to provide innovative solutions to the future challenges of their work places.

The college offerings of FEU Diliman include:

- BS Accountancy
- BS Business Administration major in Marketing Management
- BS Business Administration major in Financial Management
- BS Business Administration major in Operations Management

III. FEU ALABANG, INC.

Founded on July 21, 2016, FEU Alabang, Inc., carries Far Eastern University's mission to provide quality education to the south of Metro Manila. It is located in Filinvest City, Alabang, one of the most progressive areas in Southern Metro Manila. Set to open in August 2018, the 1.8-hectare campus will welcome students to its 17-story academic building, which will come equipped with modern classrooms and laboratories, as well as a campus accented by lush green spaces and featuring a 200-seat chapel and gymnasium.

FEU Alabang will be offering the following programs:

Senior High School

- Science, Technology, Engineering, and Mathematics (STEM)
- Accountancy, Business, and Management (ABM)
- Humanities and Social Science (HUMSS)
- General Academic Strand (GAS)

College of Engineering

- Bachelor of Science in Civil Engineering
- Bachelor of Science in Computer Engineering
- Bachelor of Science in Electronics Engineering
- Bachelor of Science in Electrical Engineering
- Bachelor of Science in Mechanical Engineering
- Bachelor of Science in Manufacturing Engineering

College of Computer Studies and Multimedia Arts

- Bachelor of Arts in Multimedia Arts
- Bachelor of Science in Computer Science
- Bachelor of Science in Entertainment and Multimedia Computing

IV. FAR EASTERN COLLEGE SILANG, INC.

Established in 2009, Far Eastern College Silang, Inc., is doing business under the name and style of FEU Cavite, and is the first subsidiary of Far Eastern University, Inc., outside Metro Manila. It is located inside MetroGate Silang Estates, a gated community in Silang, Cavite, and hence serves as the “Home of the Tamaraws in the South. It admitted its first batch of pre-school, grade school, and college students in June 2010 and of senior high school students in 2016.

FEU Cavite aspires to be a school of choice in the Southern Tagalog region by pursuing the twin goals of inculcating a love for learning among its students and being an engine for the region’s community development. It seeks to develop its students as values-driven, service-oriented, and future-ready global citizens through a technology-empowered and individualized learning system. Its social mission is to fuel community growth by heritage preservation and environmental stewardship.

FEU Cavite offers the following programs:

Basic Education Department (BED)

- Pre-kindergarten
- Kindergarten
- Grade School
- Junior High School

Senior High School (SHS) Department

Academic Tracks
- Science, Technology, Engineering, and Mathematics
- Accountancy, Business Management
- Humanities and Social Sciences

Higher Education Department (HED)

Bachelor of Science in Accountancy
Bachelor of Science in Accounting Technology
Bachelor of Science in Business Administration
Bachelor in Elementary and Secondary Education
Bachelor of Science in Hotel and Restaurant Management
Bachelor of Science in Information Technology
Bachelor of Science in Tourism Management
Bachelor of Science in Psychology
TESDA-accredited course on Bread and Pastry Production

V. FEU HIGH SCHOOL, INC.

Far Eastern University High School (FEU HS), Inc., was established as a subsidiary of Far Eastern University, Inc., in 2013 in response to Republic Act No. 10533, the "Enhanced Basic Education Act of 2013," which extended the Philippine basic education program to 13 years, adding Grades 11 and 12 to the secondary education level. Nestled inside the FEU Manila Campus, FEU HS opened its doors to its first batch of senior high school students in June 2016.

Guided by the core values of Fortitude, Excellence, and Uprightness, FEU High School provides quality education that prepares its graduates for college, the world of work, and life. Its curriculum is student-centered, values-oriented, and competency-laden; its delivery methods technology-enabled, and its learning activities project-based.

FEU HS offers the following strands under the academic track of the senior high school program: Science, Technology, Engineering, and Mathematics (STEM); Accountancy, Business, and Management (ABM); Humanities and Social Sciences (HUMSS); and the General Academic Strand (GAS).

VI. ROOSEVELT COLLEGE, INC.

Roosevelt College, Inc. (RCI), has a long history of establishing good-quality nonsectarian private high schools, first as Marikina Academy in 1933 and as RCI starting 1946. Soon after its founding, the academy ranked among the top 20 of the 70 private high schools in the Philippines.

RCI became a member of the Far Eastern University (FEU) group of schools in May 2016 when FEU purchased 79.72% of the outstanding capital stock of RCI and gained management control of all its existing campuses as well as affiliated companies. Significantly contributing to the expansion of the FEU group's geographic and demographic footprint and to the growth of its basic education program, RCI is expected to carry forward FEU's mark of offering quality educational programs and facilities while improving its accessibility to more Filipino families.

RCI envisions the formation of a productive and responsible citizenry empowered through education. It offers the following degree programs and short programs:

- Basic Education Program: K-12
  - Developmental Kindergarten for 4-year olds (RCI Cainta and RCI Rodriguez)
  - Special Science Program for Junior High School students with high aptitude in Science, Math, and English (RCI Cainta)
  - Senior High School
    - Academic Track: ABM, HUMSS, and STEM strands
    - Tech-Vocational: Home Economics strand (RCI Rodriguez)
  - Tertiary Education (RCI Cainta except if otherwise indicated)
  - Undergraduate Programs
    - AB Broadcasting
    - AB Psychology (RCI Marikina)
    - Bachelor of Elementary Education with Specialization in Early Childhood Education
    - Bachelor of Elementary Education with Specialization in Special Education
    - Bachelor of Secondary Education Major in English
    - Bachelor of Secondary Education Major in Mathematics
    - Bachelor of Secondary Education Major in Music, Arts, Physical Education and Health
    - BS Information Technology (RCI Marikina)
    - BSBA Human Resources Management (RCI Marikina)
    - BSBA Operations Management (RCI Marikina)
    - BS Hotel and Restaurant Management
  - Graduate Program
    - MA in Education Major in Educational Management
    - MA in Education Major in Educational Technology
    - MA in Education Major in Teaching in the Early Grades
    - MA in Education Major in Social Studies
    - MA in Education Major in Filipino Education
    - MA in Education Major in Mathematics Education
    - MA in Education Major in Science Education
    - MA in Education Major in English Studies & Instruction
    - MA in Education Major in Guidance & Counselling
    - MA in Education Major in Special Education
    - Teacher Certificate Program

Employees:

Number of Employees as of May 31, 2018

Officials	-	10
Senior Staff	-	58
Non-Academic:		
Supervisor	-	48
Rank-and-File	-	239
Probationary/Contractual/Monthly	-	11
Academic:		
Lecturer	-	451
Regular	-	212

With the economic condition prevailing in the country, the corporation has no plan of hiring employees within the ensuing twelve months except for replacements for critical positions. It will make use of its present employees and faculty members to meet its manpower requirements.

Inclusive Dates of Collective Bargaining Agreement (CBA)

Non-Academic	July 16, 2016 - July 15, 2021
Academic	September 1, 2016 - August 31, 2021

The labor unions of the employees and the faculty members have never been on strike in the last ten years, and pose no threat to strike in the foreseeable future. Employees and faculty members have a harmonious relationship with the Administration.

Working Capital: All of the company's working capital for its existing operation for fiscal year June 1, 2017 to May 31, 2018 was internally generated.

Other Supplemental Benefits or Incentive Arrangements the Registrant has or will have with its employees

	Non-Teaching Employee	Faculty
1. Average Annual Increase in basic salary for three years	4.67%	4.33%
2. Yearly Rice Allowances	₱9,000.00	₱9,000.00
3. Yearly Medical Benefit	₱60,000.00 plus health card (premium deducted from the ₱60,000.00)	₱35,000.00 plus health card
4. Educational Benefit	For employees and their dependents	For faculty and their dependents
5. One-time Signing Bonus	₱10,000.00	₱10,000.00
6. One-time No Strike Bonus	₱150,000.00	₱150,000.00
7. Others	Various	Various

Risk Management and Objectives and Policies

The Group is exposed to certain financial risks in relation to financial instruments. Its main purpose for its dealings in financial instruments is to fund operational and capital expenditures. The BOT has the overall responsibility for the establishment and oversight of the Group's risk management framework. It has a risk management committee headed by an independent trustee that is responsible for developing and monitoring the Group's policies, which address risk management areas. Management is responsible for monitoring compliance with the Group's risk management policies and procedures and for reviewing the adequacy of these policies in relation to the risks faced by the Group.

The Group does not engage in trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed to are described in the succeeding paragraphs.

Market Risk

Foreign Currency Risk

Most of the Group's transactions are carried out in Philippine pesos, its functional currency. Exposures to currency exchange risk arise from certain cash and cash equivalents, AFS financial assets and HTM investments which are denominated in United States (US) dollars.

To mitigate the Group's exposure to foreign currency risk, the Group entered in a cross-currency swap agreement and keeps the amount of its US dollar deposit at a minimum level.

Financial assets denominated in US dollar, translated into Philippine pesos at the closing rate, are presented below:

	2018	2017	2016
Short-term exposure – Financial assets	**P 79,839,591**	P 135,119,293	P 344,269,806
Long-term exposure – Financial assets	**P 668,184,384**	P 480,611,523	P 305,342,055

The following table illustrates the sensitivity of the Group's profit or loss before tax and equity with respect to changes in Philippine peso against US dollar exchange rates. The percentage changes in rates have been determined based on the average market volatility in exchange rates, using standard deviation, in the previous periods (for the periods ended May 31, 2018, 2017 and 2016) at a 68% confidence level.

	May 31, 2018			May 31, 2017			May 31, 2016		
	Reasonably possible change in rate	**Effect in profit before tax**	**Effect in equity**	Reasonably possible change in rate	Effect in proft before tax	Effect in equity	Reasonably possible change in rate	Effect in loss before tax	Effect in equity
PhP - USD	**3.98%**	**P 29,771,354**	**P 26,794,219**	26.27%	P161,752,485	P145,577,237	1.91%	(P 12,407,587)	(P 11,166,828)

Exposures to US dollar exchange risk vary during the year depending on the volume of foreign currency denominated transactions. Nonetheless, the analysis above is considered to be representative of the Group's foreign currency risk.

Interest Rate Risk

The Group's exposure to interest rate risk arises from the following interest-bearing financial instruments which are subject to variable interest rates. All other financial assets and financial liabilities have fixed interest rates.

	2018	2017 (As Restated)	2016 (As Restated)
Cash and cash equivalents	**P 855,331,501**	P 1,526,201,248	P 1,213,350,580
AFS financial assets (debt securities)	**1,121,608,384**	1,132,522,593	1,414,636,967
Short-term investments	**917,501,695**	140,435,812	119,676,213
Long-term investments	**11,527,360**	-	-
Interest-bearing loans	**(2,517,142,858)**	(1,950,000,000)	(1,492,333,334)
	P 388,826,082	P 849,159,653	P 1,255,330,426

The following table illustrates the sensitivity of the Group's consolidated profit or loss before tax for the years with regard to the Group's interest-bearing financial instruments. These percentages have been determined based on the average market volatility rates, using standard deviation, in the two previous 12 months ended May 31, 2018, 2017 and, estimated at a 68% level of confidence. The sensitivity analysis is based on the Group's financial instruments held at May 31, 2018, 2017 and 2016.

	May 31, 2018 (One Year)		May 31, 2017 (One Year0		May 31, 2016 (One Year)	
	Reasonably possible change in rate	**Effect on profit before tax**	Reasonably possible change in rate	Effect on profit before tax	Reasonably possible change in rate	Effect on loss before tax
Cash and cash equivalents	**+/-0.19%**	**P 1,625,130**	+/-0.12%	P 1,831,441	+/-0.01%	(P 121,335)
AFS financial assets (debt securities)	**+/-1.42%**	**15,926,839**	+/-0.45%	5,096,352	+/-0.03%	(424,391)
Short-term investments	**+/-1.42%**	**13,028,524**	+/-0.45%	631,961	+/-0.03%	(35,903)
Long-term investments	**+/-0.91%**	**105,283**	-	-	-	-
Interest-bearing loans	**+/-0.56%**	**(14,193,105)**	+/-0.58%	(11,310,000)	+/-0.27%	4,029,300
		P 16,492,671		(P 3,750,246)		P 3,447,671

Other Price Risk

The Group's exposure to price risk arises from its investments in equity securities, which are classified as part of the AFS Financial Assets account in the consolidated statements of financial position. These consist of publicly-listed equity securities which are carried at fair value.

Management monitors its equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis.

For equity securities listed in the Philippines, an average volatility of 10.57%, 12.71% and 5.61% have been observed for the periods ended May 31, 2018, 2017 and 2016, respectively. If quoted prices for these securities increased or decreased by that percentage, other comprehensive income (loss) would have changed by P79.8 million, P105.6 million and P42.3 million for the periods ended May 31, 2018, 2017 and 2016, respectively.

No sensitivity analysis was provided for government and corporate bonds, and investments in UITF classified as AFS financial assets as management deemed that the risk at the end of the period is not representative of a risk inherent in financial instruments.

The investments are considered medium to long-term strategic investments. In accordance with the Group's policies, no specific hedging activities are undertaken in relation to these investments, except as discussed in Notes 10 and 11 of the consolidated financial statements, in connection with its investment in certain foreign currency denominated corporate debt instruments which are also subject to a cross-currency swap agreement. The investments are continuously monitored to ensure that returns of these equity instruments are timely utilized or reinvested in the Group's favor.

Credit Risk

Credit risk represents the loss that the Group would incur if the counterparty fails to perform its contractual obligations. The credit risk for cash and cash equivalents, short-term investments (presented as part of Other Current Assets), AFS financial assets and HTM investments is considered negligible, since the counterparties are reputable financial institutions and private companies with high quality external credit ratings. Included in the cash and cash equivalents are cash in banks and short-term placements. These are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P0.5 million for every depositor per banking institution.

The Group's exposure to credit risk on its receivables related primarily to the inability of the debtors to pay and students to fully settle the unpaid balance of tuition fees and other charges which are owed to the Group based on installment payment schemes. The Group has established controls and procedures to minimize risks of non-collection. Students are not allowed to enroll in the following semester unless the unpaid balance in the previous semester has been paid. The Group also withholds the academic records and clearance of the students with unpaid balances, thus ensuring that collectability is reasonably assured. The Group's exposure to credit risk on its other receivables from debtors and related parties is managed through close account monitoring and setting limits.

The Group has no significant exposure to any individual customer or counterparty nor it has any other concentration of credit risk arising from counterparties in similar business activities, geographic region or economic parties. Also, none of the Group's financial assets are secured by collateral or other credit enhancements; except for cash and cash equivalents as described above.

With respect to credit risk arising from the financial assets below, the Group's maximum exposure is equal to the carrying amount of these instruments. Other than the exposure to credit risk on the Group's receivables from students, the risk is minimal as these financial assets and investments are with reputable corporations, financial institutions and/or with related parties.

The maximum exposure to credit risk at the end of the reporting period is as follows:

	2018	2017 (As Restated)	2016 (As Restated)
Cash and cash equivalents	**P 855,331,501**	P 1,526,201,248	P 1,213,350,580
Trade and other receivables - net	**528,325,137**	442,701,441	442,715,772
AFS financial assets (debt securities)	**1,121,608,384**	1,132,522,593	1,414,636,967
HTM investments	**297,284,616**	336,566,334	-
Short-term investments	**917,501,695**	140,435,812	119,676,213
Long-term investments	**11,527,360**	-	-
Refundable deposits	**8,493,476**	7,644,089	7,763,044
	P 3,740,072,169	P 3,586,071,517	P 3,198,142,576

The table below shows the credit quality of the Group's financial assets as at May 31, 2018, 2017 and 2016 having past due but not impaired components.

	Neither past due nor impaired	**Past due and impaired**	**Total**
2018			
Cash and cash equivalents	P 855,331,501	P -	P 855,331,501
Trade and other receivables - net	470,897,639	57,427,498	528,325,137
AFS financial assets (debt securities)	1,121,608,384	-	1,121,608,384
HTM investments	297,284,616	-	297,284,616
Short-term investments	917,501,695	-	917,501,695
Long-term investments	11,527,360	-	11,527,360
Refundable deposits	8,493,476	-	8,493,476
	P 3,682,644,671	**P 57,427,498**	**P 3,740,072,169**

	Neither past due nor impaired	Past due and impaired	Total
2017 (As Restated)			
Cash and cash equivalents	P 1,526,201,248	P -	P 1,526,201,248
Trade and other receivables - net	386,182,850	56,518,591	442,701,441
AFS financial assets (debt securities)	1,132,522,593	-	1,132,522,593
HTM investments	336,566,334	-	336,566,334
Short-term investments	140,435,812	-	140,435,812
Refundable deposits	7,644,089	-	7,644,089
	P 3,529,552,926	P 56,518,591	P 3,586,071,517
2016 (As Restated)			
Cash and cash equivalents	P 1,213,350,580	P -	P 1,213,350,580
Trade and other receivables - net	386,067,128	56,648,644	442,715,772
AFS financial assets (debt securities)	1,414,636,967	-	1,414,636,967
Short-term investments	119,676,213	-	119,676,213
Refundable deposits	7,763,044	-	7,763,044
	P 3,141,493,932	P 56,648,644	P 3,198,142,576

The Group's management considers that all the financial assets presented in the preceding table are not impaired and of good credit quality, except those specifically provided with allowance for impairment at the end of the reporting periods. The age of past due but unimpaired receivables is about six months but not more than one year for each of the three periods presented.

None of the Group's financial assets are secured by collateral or other credit enhancements, except for cash and cash equivalents as follows.

Cash and Cash Equivalents

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Included in the cash and cash equivalents are cash in banks and short-term placements. These are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P0.5 million for every depositor per banking institution.

Trade and Other Receivables

In respect of trade and other receivables, the Group has neither any significant exposure to any individual customer or counterparty nor does it have any other concentration of credit risk arising from counterparties in similar business activities, geographic region or economic parties. The Group classifies tuition and other fee receivables from students based on the number of semesters the receivables have been outstanding. Receivables from students that are outstanding for more than one semester are analyzed to determine whether they are impaired. Those that are not outstanding for more than one semester or are currently due are determined to be collectible, based on historical experience.

Financial Assets at FVTL and AFS Financial Assets

AFS financial assets and HTM investments are coursed through reputable financial institutions and private corporations duly approved by the BOT of the University and BOD of the subsidiaries.

Liquidity Risk

The Group manages liquidity risk by maintaining a balance between continuity of funding and flexibility. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. Management closely monitors the Group's future and contingent obligations and ensures that future cash collections are sufficient to meet them in accordance with internal policies. The Group invests in short-term placements when excess cash is obtained from operations.

As of May 31, 2018, 2017 and 2016, the Group's financial liabilities have contractual maturities as follows:

	Current		**Non-current**
	Within 6 Months	**6 to 12 Months**	**1 to 5 Years**
2018			
Trade and other payables	P 853,210,939	P 404,498,230	P -
Interest-bearing loans	876,241,594	283,100,592	1,434,692,826
Derivative liability	38,255,313	-	-
Refundable deposits (presented under Other Non-current Liabilities)	-	-	4,336,911
	P1,767,707,846	**P 687,598,822**	**P 1,439,029,737**
2017 (As Restated)			
Trade and other payables	P 845,783,342	P 58,596,139	P -
Interest-bearing loans	115,367,043	280,528,360	1,792,541,499
Derivative liability	33,365,459	-	-
Refundable deposits (presented under Other Non-current Liabilities)	-	-	3,987,592
	P 994,515,844	P 339,124,499	P 1,796,529,091
2016 (As Restated)			
Trade and other payables	P 764,806,306	P 10,227,647	P -
Interest-bearing loans	25,637,307	14,556,348	2,348,152,551
Derivative liability	20,520,000	-	-
Refundable deposits (presented under Other Non-current Liabilities)	-	-	4,336,911
	P 810,963,613	P 24,783,995	P2,352,489,462

The contractual maturities (or expected settlement periods) presented above reflect the gross cash flows, which may differ from the carrying values of the liabilities at the end of the reporting period.

Item 2. Schedule of Property and Equipment / Investment Properties

	Gross Book Value	Accumulated Depreciation	Net Book Value	Location	Condition
FAR EASTERN UNIVERSITY, INCORPORATED (FEU or Parent Company)					
I. PROPERTY AND EQUIPMENT:					
			-		
LAND					
Land - FEU Manila Campus *(including Lerma and R. Papa Extension properties)*	P 294,101,511	P -	P 294,101,511	Manila	Very Good
Land - Education and Admissions Buildings *(formerly EAC Main and Annex Buildings)*	53,394,726	-	53,394,726	Manila	Very Good
Land - Biluso, Silang	41,733,212	-	41,733,212	Silang, Cavite	Very Good
	389,229,449	-	389,229,449		
BUILDINGS, AND LAND AND LEASEHOLD IMPROVEMENTS					
Technology Building	345,925,086	181,476,873	164,448,213	Manila	Very Good
Science Building (SB)	299,342,104	88,330,980	211,011,124	Manila	Very Good
Admissions Building *(formerly EAC Main Building)*	220,497,018	122,039,998	98,457,020	Manila	Very Good
Nicanor Reyes Hall	198,867,089	58,210,252	140,656,837	Manila	Very Good
FEU Makati Building	180,373,421	66,686,072	113,687,349	Makati	Very Good
Alfredo Reyes Hall	128,929,088	79,594,790	49,334,298	Manila	Very Good
Education Building *(formerly EAC Annex Building)*	126,229,514	65,680,644	60,548,870	Manila	Very Good
Arts Building	38,803,988	17,840,013	20,963,975	Manila	Very Good
Campus Pavilion	24,828,043	2,978,267	21,849,776	Manila	Very Good
Chapel	5,263,611	-	5,263,611	Manila	Very Good
Building - Architecture Building *(formerly Law Law Building)* to SB Covered Walk	3,202,126	1,734,845	1,467,281	Manila	Very Good
Leasehold Improvements *(Adminstration Building, Architecture Building, Nursing Building, Accounts Business and Finance Building, R. Papa Gym and Student Pavilion*	854,298,895	183,949,504	670,349,391	Manila	Very Good
Grandstand	1,562,113	660,823	901,290	Manila	Very Good
Perimeter Fence	715,360	715,360	-	Manila	Very Good
Land Improvement - Architecture Building *(formerly Law Law Building)* to SB Covered Walk	617,737	617,737	-	Manila	Very Good
Pavilion 2 and Pergola	395,000	310,354	84,646	Manila	Very Good
Electrical Rooms	296,196	296,196	-	Manila	Very Good
Other Land Improvements	12,503,033	5,376,752	7,126,281	Manila	Very Good
Construction-in-Progress	38,735,488	-	38,735,488	Manila	Very Good
	P 2,481,384,910	P 876,499,460	P 1,604,885,450		

		Gross Book Value		Accumulated Depreciation		Net Book Value	Location	Condition
FURNITURE, FIXTURES AND EQUIPMENTS								
Information Technology	P	206,886,772	P	172,660,582	P	34,226,190	Manila	Very Good
Electrical and Mechanical		153,709,820		123,391,749		30,318,071	Manila	Very Good
Furnitures and Fixtures		102,843,990		76,715,655		26,128,335	Manila	Very Good
Laboratory		51,101,533		36,437,981		14,663,552	Manila	Very Good
Transportation		40,270,130		38,095,799		2,174,331	Manila	Very Good
Museum Collection		11,429,266		-		11,429,266	Manila	Very Good
Athletic and Sports		4,914,491		2,347,128		2,567,363	Manila	Very Good
Musical Instrument		4,070,620		2,987,439		1,083,181	Manila	Very Good
Tools		1,693,527		1,557,417		136,110	Manila	Very Good
Miscellaneous Fixed Assets		103,703,682		103,703,682		-	Manila	Very Good
		680,623,831		557,897,432		122,726,399		
TOTAL PROPERTY AND EQUIPMENT	**P**	**3,551,238,190**	**P**	**1,434,396,892**	**P**	**2,116,841,298**		
II. INVESTMENT PROPERTIES:								
LAND								
Land - Filinvest Alabang	P	1,076,829,849	P	-	P	1,076,829,849	Muntinlupa City	Very Good
BUILDINGS								
FEU Cavite Building I		205,592,198		60,363,411		145,228,787	Silang, Cavite	Very Good
FEU Cavite Building II		222,844,542		64,780,539		158,064,003	Silang, Cavite	Very Good
		428,436,740		125,143,950		303,292,790		
TOTAL INVESTMENT PROPERTIES		**1,505,266,589**		**125,143,950**		**1,380,122,639**		
TOTAL FIXED ASSETS OF FEU	**P**	**5,056,504,779**	**P**	**1,559,540,842**	**P**	**3,496,963,937**		

		Gross Book Value		Accumulated Depreciation		Net Book Value	Location	Condition
FERN REALTY CORPORATION (FRC)								
I. INVESTMENT PROPERTIES:								
LAND								
Land - FEU Makati Campus	P	212,850,736	P	-	P	212,850,736	Makati City	Very Good
Land - FEU Cavite Campus		113,703,104		-		113,703,104	Silang, Cavite	Very Good
Land - FEU Campus Site I *(Administration Building, Nursing Building, Accounts Business and Finance Building, Architecture Building and Open Spaces)*		82,805,600		-		82,805,600	Manila	Very Good
Land - FEU Campus Site II *(Fern Building, FEU Institute of Technology Building and R. Papa Gym)*		67,253,504		-		67,253,504	Manila	Very Good
Land - Ferndale Villas		6,810,000		-		6,810,000	Quezon City	Very Good
Land - Sampaguita Ave., Quezon City		3,714,946		-		3,714,946	Quezon City	Very Good
		487,137,890		-		487,137,890		
LAND IMPROVEMENTS		5,680,643		4,151,120		1,529,523	Various	Very Good
BUILDINGS								
FEU Buildings		98,443,463		39,531,889		58,911,574	Manila	Very Good
FEU Cavite Dormitory		38,094,317		2,095,187		35,999,130	Silang, Cavite	Very Good
Ferndale Villas		29,879,244		870,701		29,008,543	Quezon City	Very Good
Roxas Land Condominium		28,845,964		12,907,032		15,938,932	Makati City	Very Good
Serendra Condominium		26,370,590		2,757,192		23,613,398	Taguig City	Very Good
Lerato Condominium		15,266,622		381,666		14,884,956	Makati City	Very Good
Fern College Building		12,614,023		5,304,905		7,309,118	Quezon City	Very Good
		249,514,223		63,848,572		185,665,651		
BUILDING IMPROVEMENTS		14,891,189		10,731,482		4,159,707	Various	Very Good
CONSTRUCTION IN PROGRESS		26,622,362		-		26,622,362	Makati City / Taguig City / Silang Cavite	Very Good
TOTAL INVESTMENT PROPERTIES	**P**	**783,846,307**	**P**	**78,731,174**	**P**	**705,115,133**		
II. TRANSPORTATION AND OTHER EQUIPMENT (OTHER CURRENT ASSETS)								
Transportation Equipment	P	8,236,606	P	6,034,425	P	2,202,181	Manila	Very Good
Office Furniture and Other Equipment		4,933,399		2,456,988		2,476,411	Manila	Very Good
TOTAL TRANSPORTATION AND OTHER EQUIPMENT		**13,170,005**		**8,491,413**		**4,678,592**		
TOTAL FIXED ASSETS OF FRC	**P**	**797,016,312**	**P**	**87,222,587**	**P**	**709,793,725**		

EAST ASIA COMPUTER CENTER, INC. (EACCI)

		Gross Book Value		Accumulated Depreciation		Net Book Value	Location	Condition
PROPERTY AND EQUIPMENT:								
Buildings	P	1,006,763,485	P	190,022,062	P	816,741,423	Manila	Very Good
Machinery and Equipment		41,278,555		37,788,540		3,490,015	Manila	Very Good
Laboratory Tools		35,880,792		17,921,674		17,959,118	Manila	Very Good
Furniture and Fixtures		22,782,382		12,639,182		10,143,200	Manila	Very Good
Building improvements		11,664,801		2,397,771		9,267,030	Manila	Very Good
Computer Equipment		14,418,329		7,808,326		6,610,003	Manila	Very Good
Leasehold Improvements		6,030,564		1,061,981		4,968,583	Manila	Very Good
Construction-in-Progress		74,547,378		-		74,547,378	Manila / Quezon City	Very Good
TOTAL FIXED ASSETS OF EACCI	**P**	**1,213,366,286**	**P**	**269,639,536**	**P**	**943,726,750**		

FAR EASTERN COLLEGE - SILANG, INC. (FECSI)

		Gross Book Value		Accumulated Depreciation		Net Book Value	Location	Condition
PROPERTY AND EQUIPMENT:								
Computer Equipment	P	27,013,629	P	18,650,406	P	8,363,223	Silang, Cavite	Very Good
Leasehold Improvements		15,761,165		5,649,652		10,111,513	Silang, Cavite	Very Good
Furnitures and Fixtures		10,213,566		7,649,623		2,563,943	Silang, Cavite	Very Good
Tools and Equipment		9,135,385		7,181,618		1,953,767	Silang, Cavite	Very Good
Library Books		6,914,730		4,733,326		2,181,404	Silang, Cavite	Very Good
Transportation Equipment		1,052,500		373,331		679,169	Silang, Cavite	Very Good
Construction-in-Progress		1,988,625		-		1,988,625	Silang, Cavite	Very Good
TOTAL FIXED ASSETS OF FECSI	**P**	**72,079,600**	**P**	**44,237,956**	**P**	**27,841,644**		

FEU HIGH SCHOOL, INC. (FEU High)

		Gross Book Value		Accumulated Depreciation		Net Book Value	Location	Condition
PROPERTY AND EQUIPMENT:								
Leasehold Improvements	P	8,250,341	P	-	P	8,250,341	Manila	Very Good
Information Technology		8,529,872		4,758,856		3,771,016	Manila	Very Good
Furniture and Fixtures		8,389,637		2,311,922		6,077,715	Manila	Very Good
Transportation Equipment		1,677,000		167,700		1,509,300	Manila	Very Good
Electrical and Mechanical		713,056		189,714		523,342	Manila	Very Good
Athletic and Musical Instruments		385,138		91,610		293,528	Manila	Very Good
Laboratory Equipment		297,350		90,899		206,451	Manila	Very Good
TOTAL FIXED ASSETS OF FEU High	**P**	**28,242,394**	**P**	**7,610,701**	**P**	**20,631,693**		

		Gross Book Value		Accumulated Depreciation		Net Book Value	Location	Condition
FEU ALABANG, INC. (FEUAI)								
PROPERTY AND EQUIPMENT:								
Construction-in-Progres *(FEU Alabang Campus Buildings)*	P	975,283,650	P	-	P	975,283,650	Muntinlupa City	Very Good
Office Equipment		38,300		9,575		28,725	Muntinlupa City	Very Good
TOTAL FIXED ASSETS OF FEUAI	**P**	**975,321,950**	**P**	**9,575**	**P**	**975,312,375**		
ROOSEVELT COLLEGE, INC. (RCI)								
PROPERTY AND EQUIPMENT:								
LAND								
Cainta Campus	P	551,727,090	P	-	P	551,727,090	Cainta, Rizal	Very Good
Marikina Campus		238,135,000		-		238,135,000	Marikina City	Very Good
Rodriguez Campus		64,341,000		-		64,341,000	Rodriguez, Rizal	Very Good
San Mateo Campus		40,816,000		-		40,816,000	San Mateo, Rizal	Very Good
Cubao Campus		105,300,000		-		105,300,000	Quezon City	Very Good
		1,000,319,090		-		1,000,319,090		
BUILDINGS AND IMPROVEMENTS								
Cainta Campus		92,138,854		88,921,826		3,217,028	Cainta, Rizal	Very Good
Marikina Campus		81,789,846		81,283,239		506,607	Marikina City	Very Good
Rodriguez Campus		92,170,702		64,663,838		27,506,864	Rodriguez, Rizal	Very Good
San Mateo Campus		46,416,335		46,674,351		(258,016)	San Mateo, Rizal	Very Good
Cubao Campus		12,360,807		12,313,137		47,670	Quezon City	Very Good
		324,876,544		293,856,392		31,020,152		
FURNITURE, FIXTURES AND EQUIPMENTS								
Classroom and Office Equipment		51,491,632		42,025,289		9,466,343		
Furniture and Fixtures		14,462,271		13,094,493		1,367,778		
Transportation Equipment		3,296,934		3,296,934		-		
		69,250,837		58,416,716		10,834,121	Various Campuses	Very Good
CONSTRUCTION-IN-PROGRES		140,107,875		-		140,107,875	Various Campuses	Very Good
TOTAL FIXED ASSETS OF RCI	**P**	**1,534,554,346**	**P**	**352,273,108**	**P**	**1,182,281,238**		
TOTAL FIXED ASSETS OF THE GROUP	**P**	**9,677,085,667**	**P**	**2,320,534,305**	**P**	**7,356,551,362**		

PROPERTY LEASED BY FEU FROM FRC:

		Annual Rental	Current Contract Period
Gymnasium	Two (2) storey building made of concrete materials located at R. Papa St., Sampaloc, Manila	9,927,658.27 *plus applicable VAT*	April 1, 2018 to March 31, 2019
Athletes' Quarters	Ground floor (234.44 sq. meters) of a five (5) storey building made of concrete materials located at P. Paredes corner S.H. Loyola Streets, Sampaloc, Manila	683,911.92 *plus applicable VAT*	December 1, 2017 to November 30, 2018
Athletes' Quarters	Portion of 2nd floor (790 sq. meters) of a five (5) storey building made of concrete materials located at P. Paredes corner S.H. Loyola Streets, Sampaloc, Manila	2,801,255.52 *plus applicable VAT*	December 1, 2017 to November 30, 2018
FEU Makati Campus	Parcel of land (2,186 sq. meters) located at the Makati Central Business District bounded by Sen. Gil Puyat Avenue, Malugay Street and Geronimo Street Makati City.	*8,967,701.35* *plus applicable VAT*	December 1, 2017 to November 30, 2018
FEU Fern Bookstore	Portion of Ground floor (48 sq. meters) of a five (5) storey building made of concrete materials located at Sampaguita Avenue, Barangay Pason Tamo, Quezon City.	*115,188.29* *plus applicable VAT*	February 11, 2017 to January 10, 2018
FEU-Manila Buildings:			
Accounts, Business and Finance Buidling *(formerly Education Building)*	Eight (8) storey building made of concrete materials located at FEU Manila Campus, Nicanor Reyest St., Manila	*62,052,477.03* *plus applicable VAT*	July 1, 2017 to June 30, 2018
Nursing Building	Eight (8) storey building made of concrete materials located at FEU Manila Campus, Nicanor Reyest St., Manila	*subject to 5% escalation yearly*	
Architecture Building *(Law Building)*	Four (4) storey building made of concrete materials located at FEU Manila Campus, Nicanor Reyest St., Manila		
Administration Building	Four (4) storey building made of concrete materials located at FEU Manila Campus, Nicanor Reyest St., Manila		

PROPERTY LEASED BY FRC FROM FEU:

		Annual Rental	Contract Date
FEU Foodcourt	Mezzanine of the Technology Building with an area of 693 sq. meters	*1,496,880.00 plus applicable VAT*	September 1, 2017 to August 31, 2018

PROPERTY LEASED BY FECSI FROM FEU:

		Annual Rental	Contract Date
FEU - Cavite Buildings	Two (2) concrete buildings located as Silang, Cavite	*600,000.00 plus applicable VAT on initial year, yearly rates to be determined annually - or - the amount equivalent to 5% of its gross annual revenues, whichever is higher*	August 1, 2012 to July 31, 2022

PROPERTY LEASED BY EACCI (FEU INSTITUTE OF TECHNOLOGY) FROM FEU:

		Annual Rental	Contract Date
Portions of Technology Building	4th to 7th floors and three (3) rooms of the 9th floor of the Technology Building	*24,480,705.60 inclusive of VAT on initial year, yearly rates to be determined annually*	July 1, 2017 to June 30, 2018

PROPERTY LEASED BY FEU HIGH SCHOOL, INC. FROM FEU:

	Annual Rental	Contract Date
FEU Senior High School Buildings *(Nursing Building and portion of the Accounts, Business and Finance Building)*	*35,515,764.96 plus applicable VAT*	June 1, 2017 to May 31, 2018

The lease contract shall not be deemed extended by implication beyond the contract period for any cause or reason whatsoever, but only by negotiation and written agreement of the LESSOR and the LESSEE.

		Amount
Properties inteded to be acquired in the next 12 months:	***NONE***	***NOT APPLICABLE***

Item 3. Legal Proceedings

Hereunder is the list of the legal proceedings involving the company which is being handled by Atty. Enrico G. Gilera, the University Legal Counsel:

External Cases

Pending Court Cases as of 1 May 2018:

1. Ma. Corazon Abella vs. FEU, CA GR Case No. 142320
2. Jacqueline Alota vs. FEU, Supreme Court - G.R No.237928
3. Jacqueline Alota vs. FEU, NLRC-LAC 02-000691-18; NLRC-NCR Case No. 05-06747-17
4. Century Iron Work, Inc. vs. FEU, Supreme Court G.R. No. 217329
5. FEU-ELU vs. FEU, AC-826-RCMB-NCR-LVA-008-01-03-2016
   G.R. No. 238145, CA GR No. 146576
6. FEU-ELU vs. FEU, AC-022 RCMB-NCR-LVA-022-04-08-2016
   CA-G.R. SP No. 149408
7. Maricel Trinidad vs. FEU, NLRC-LAC No. 02-000691-18, NLRC NCR No. 05-06747-17

Involvement of Directors and Officers in Certain Legal Proceedings

None of the directors and officers of the **registrant or any of its subsidiaries or affiliates** was involved during the past five (5) years in any bankruptcy proceeding. Neither have they been convicted by final judgment in any criminal proceeding or been subject to any order, judgment or decree of competent jurisdiction, permanently or temporarily enjoining barring, suspending, or otherwise limiting their involvement in any type of business, securities, commodities, or banking activities, nor found by any court or administrative body to have violated a securities or commodities law.

The registrant or any of its subsidiaries or affiliates is not a party to any pending legal proceedings in which any of their property is the subject.

Item 4. Submission of Matters to a Vote of Security Holders

The registrant is not a party to any voting trust agreement. No security holder of the Registrant holds a voting trust or any other similar agreement.

Part II - OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Registrants Common Equity and Related Stockholders Matters

DIVIDENDS DECLARED FOR THE FISCAL YEAR ENDED MAY 31, 2018

Dividends During the Year

Cash Dividend:

	Declaration	Date of Record	Payment		Amount
Cash dividend of ₱8.00 per share	September 19, 2017	October 4, 2017	October 18, 2017	₱	131,816,184.00
Cash dividend of ₱8.00 per share	February 20, 2018	March 6, 2018	March 20, 2018		131,816,184.00
				₱	263,632,368.00

Stock Dividend:

No stock dividend for the period June 01, 2017 to May 31, 2018 was declared.

Dividend Policy

Cash dividend on common shares shall be paid based on the approval of the Board of Trustees up to the amount of the unrestricted retained earnings and available cash, while stock dividend on common shares shall be paid based on the approval of the Board of Trustees, ratified by the stockholders, based on the unrestricted retained earnings up to the approved authorized capital stock.

Recent Sales of Unregistered Securities

Not a single common share is considered unregistered security. All shares are registered with the Philippine Stock Exchange, Inc. Thus, checklist of requirements for Sale of Unregistered Securities is not applicable.

The Philippine Stock Exchange, Inc. is the principal market where the corporation's common equity is traded.

Market Prices of Common Stocks: (Phil. Stock Exchange, Inc.)

Herewith are the high, low, and closing prices of shares of stock traded from June 2017 to May 2018:

	High	Low	Close
2017			
Jun	1,000.00	970.00	970.00
Jul	999.50	970.00	990.00
Aug	990.00	970.00	970.00
Sep	1,000.00	970.00	1,000.00
Oct	1,000.00	960.00	965.00
Nov	1,020.00	960.00	960.00
Dec	1,000.00	960.00	960.00
2018			
Jan	1,000.00	970.00	980.00
Feb	1,000.00	960.00	970.00
Mar	985.00	900.00	910.00
Apr	940.00	900.00	940.00
May	950.00	900.00	910.00

High and low sale prices for each quarter are as follows:

A) June 01, 2017 – May 31, 2018

Period		High		Low		Close
First Quarter	₱	996.50	₱	970.00	₱	976.67
Second “		1,006.67		963.33		975.00
Third “		1,000.00		963.33		970.00
Fourth “		958.33		900.00		920.00

B) June 01, 2016 – May 31, 2017

Period		High		Low		Close
First Quarter	₱	980.00	₱	933.67	₱	966.50
Second “		986.00		950.50		954.50
Third “		1,016.67		953.33		970.00
Fourth “		995.33		963.33		980.00

C) April 01, 2016 – May 31, 2016

Period		High		Low		Close
April – May	₱	1,015.50	₱	930.25	₱	935.25

The number of shareholders on record as of May 31, 2018 was **One Thousand Five Hundred Fourteen (1,514)**. Common shares issued and outstanding were **16,477,023.**

20 TOP FEU STOCKHOLDERS AS OF MAY 31, 2018

Title of Class	Name of Beneficial Owner	No. of Shares and Nature of Beneficial Ownership	Citizen ship	Percent of Class
1. Common	Seyrel Investment and Realty Corporation	4,717,162 – D	Filipino	28.63
2. Common	Sysmart Corporation	3,546,138 – D	Filipino	21.52
3. Common	Desrey, Inc.	1,318,464 – D	Filipino	8.00
4. Common	PCD Nominee Corporation (Filipino)	798,907 – D	Filipino	4.85
5. Common	Angelina D. Palanca	531,873 – D	Filipino	3.23
6. Common	Sr. Victorina D. Palanca	369,600 – D	Filipino	2.24
7. Common	ICM Sisters Phil. Mission Board, Inc.	361,200 – D	Filipino	2.19
8. Common	Aurelio R. Montinola III	313,812 – D	Filipino	1.90
9. Common	Marco P. Gutang	210,135 – D	Filipino	1.28
10. Common	Gonzaga-Lopez Enterprises, Inc.	201,828 – D	Filipino	1.22
11. Common	AMON Trading Corporation	191,764 – D	Filipino	1.16
12. Common	Jomibel Agricultural Development Corp.	178,884 – D	Filipino	1.09
13. Common	ZARE, Inc.	83,361 – D	Filipino	0.51
14. Common	Rosario P. Melchor	81,022 – D	Filipino	0.49
15. Common	Juan Miguel R. Montinola	75,144 – D	Filipino	0.46
16. Common	Rosario Panganiban-Melchor	73,552 – D	Filipino	0.45
17. Common	Gianna R. Montinola	72,626 – D	Filipino	0.44
18. Common	Antonio R. Montinola	72,412 – D	Filipino	0.44
19. Common	Consorcia P. Reyes	66,085 – D	Filipino	0.40
20. Common	The Caridad I. Santos Gifting Trust	55,944 – D	Filipino	0.34

Item 6. Management's Discussion and Analysis or Plan of Operation

As an academic institution, The Far Eastern University, Incorporated and its subsidiaries (The Group or FEU) is fully aware of the importance of education in nation building and to its students who benefit from quality instruction, research and community extension.

The Group is committed to continuously uplift academic standards through updating of its curricula, developing the faculty, improving the services to its students and providing the best educational facilities.

Consolidated Financial Position

The consolidated financial position of the Group remains strong as of May 31, 2018 and 2017, and March 31, 2016.

The Group's consolidated total assets as of March 31, 2016 reached P9,691.05 million, which is composed of P4,227.41 million and P5,463.64 million, current and non-current assets, respectively. Total equity remains firm with portions attributable to the owners of the Parent Company amounting to P6,569.2 and non-controlling interest (NCI) amounting to P1,651.58 million. Current and debt-to-equity ratios were at 5.65:1 and 18%, respectively.

As of May 31, 2017, consolidated total assets further increased to P11,959.84 million, which was 23.4% higher than the previous year's P9,691.05 million. The increase is mainly attributable to non-current assets which grew by 26.8%, from P5,463.64 million to P6,927.54 million; current assets also went up by 19.0%, from P4,227.41 million as of March 31, 2016, to P5,032.3 million as of May 31, 2017. Consolidated total liabilities likewise soared by 113.4% to P3,137.22 million as of May 31, 2017 compared to the March 31, 2016 balance amounting to P1,470.27 million. Balances as of March 31, 2016 have increased in May 31, 2017, from P747.85 million to P1,444.88 million, and from P722.42 million to P1,692.34 million, for both current and non-current liabilities, respectively. Total consolidated equity remains stable with portions attributable to the owners of the Parent Company and NCI at P6.712.12 million and P2,110.51 million, respectively.

Current and debt-to-equity ratios as of March 31, 2017, remains favorable at 3.48:1 and 36%, respectively.

As of the end of the current fiscal year, consolidated total assets have reached another milestone as it reached P13,187.39 million, which was 10.3% above the previous year's balance of P11,959.84 million. Non-current assets grew by 18.3%, from P6,927.54 million as of May 31, 2017 to P8,197.13 million as of May 31, 2018. Meanwhile, current assets slid by 1%, from P5,032.3 million as of May 31, 2017 to P4,990.26 million as of May 31, 2018.

The growth in consolidated total assets is mainly from the results of operations during the current year and additional creditor financing. Asset items that showed significant increases from last year were Trade and Other Receivables and Other Current Assets. Property and equipment likewise registered a significant increase mainly due to the constructions undertaken by FEU Alabang, Inc. and East Asia Computer Center, Inc. (EACCI), and improvements by the University in its Manila campus.

Consolidated total liabilities increased by 32.2% to P4,146.0 million as of May 31, 2018 compared to previous year's P3,137.22 million. The increase is mainly attributable to the balance of Trade and Other Payables as of fiscal year-end, Deferred Revenues which pertain to advance tuition collections and charges from students which is applicable to the coming school year, and additional loans obtained during the fiscal year.

Current liabilities went up to P2,742.46 million from previous year's P1,444.88 million, while non-current liabilities went down to P1,403.54 million from P1,692.34 million last year.

Consistent with the growth in consolidated total assets, consolidated total equity improved as it gained by 2.5%, from P8,822.63 million as of May 31, 2017 to P9,041.4 million as of May 31, 2018. The Group's consolidated equity is composed of the equity attributable to owners of the Parent Company and NCI amounting to P6,862.19 million and P2,179.21 million, respectively.

The Group's financial position remained strong with current ratio and quick ratio at 1.82:1 and 1.62:1, respectively, and with a debt-to-equity ratio and equity-to-asset ratio at favorable levels of 46% and 69%, respectively.

For the past four years, consolidated total asset growth is at an average annual rate of 13.3% or P1,283.49 million; consolidated total liabilities also increased at around P657.7 million or at an average rate 35.7% a year. For the same periods, consolidated total stockholders' equity continues to build up at an annual average of P625.78 million or 8.5% a year (*see Table 1*).

Table 1

(Amounts in Million Philippine Peso)

Fiscal Year Ending	Consolidated Total Assets	Increase		Consolidated Total Liabilities	Increase		Consolidated Net Assets	Increase	
		Amount	%		Amount	%		Amount	%
March 31, 2014	P 8,053.45	P -	-	P 1,515.19	P -	-	P 6,538.26	P -	-
March 31, 2015	9,090.88	1,037.43	12.9%	1,572.05	56.86	3.8%	7,518.83	980.57	15.0%
March 31, 2016	9,691.05	600.17	6.6%	1,470.27	(101.78)	-6.5%	8,220.78	701.95	9.3%
May 31, 2017	11,959.84	2,268.80	23.4%	3,137.22	1,666.95	113.4%	8,822.63	601.84	7.3%
May 31, 2018	13,187.39	1,227.55	10.3%	4,146.00	1,008.78	32.2%	9,041.40	218.77	2.5%
Average		P 1,283.49	13.3%		P 657.70	35.7%		P 625.78	8.5%

The Group's solvency for the past four years has always been favorable. As of May 31, 2018, the Group has a P3.18 worth of assets to cover every P1.00 worth of liability.

As of the same report date, the Group remained liquid with P1.82 worth of the current asset available to cover every P1.00 worth of current liability *(see Table 2)*.

Table 2

(Amounts in Million Philippine Peso)

Fiscal Year Ending	Consolidated Total Current Assets	Consolidated Total Current Liabilities	Consolidated Net Current Assets
March 31, 2015	P 3,804.40	P 1,516.57	P 2,287.83
March 31, 2016	4,227.41	747.85	3,479.56
May 31, 2017	5,032.30	1,444.88	3,587.42
May 31, 2018	4,990.26	2,742.46	2,247.80

The stability in the Group's financial condition, both in solvency and liquidity, was largely attributed to the Group's consolidated net income each year for the past four years which was always more than enough to provide for the usual annual dividends during the same period of time.

Below is a four-year table which shows the sufficiency of the Group's net income compared to the total cash dividend declared and paid.

Table 3

(Amounts in Million Philippine Peso)

Fiscal Year Ending	Consolidated Net Income	Cash Dividends	%	Excess of Net Income Over Dividends	%
March 31, 2015	P 1,078.16	P 398.46	37.0%	P 679.70	63.0%
March 31, 2016	1,224.90	430.87	35.2%	794.03	64.8%
May 31, 2017	806.45	397.84	49.3%	408.62	50.7%
May 31, 2018	547.63	300.16	54.8%	247.47	45.2%
Four-year average			44.1%		55.9%

Around 59.9% of the Group's net income is retained in equity (*see Table 3*). As a result, the Group's consolidated stockholders equity steadily improved (*see Table 4*).

Table 4

(Amounts in Million Philippine Peso)

Fiscal Year Ending	Consolidated Stockholders' Equity	Increase / (Decrease)	%
March 31, 2014	P 6,538.26	P -	-
March 31, 2015	7,518.83	980.57	15.0%
March 31, 2016	8,220.78	701.95	9.3%
May 31, 2017	8,822.63	601.85	7.3%
May 31, 2018	9,041.40	218.77	2.5%

As shown in Table 5, the consolidated total stockholders' equity as of May 31, 2018 accounts for 68.6% of the consolidated total assets of the Group. Since 37.8% of the Group's consolidated total assets is current, the Group is able to pay all its liabilities and still have remaining 6.4% consolidated current assets and the whole of its consolidated non-current assets. As expressed in peso amounts, this would mean P844.26 million consolidated current assets and P8,197.13 million consolidated non-current assets after paying all liabilities amounting to P4,146.0 million.

Table 5

(Amounts in Million Philippine Peso)

	Amount	%
Consolidated Total Assets	P 13,187.39	100.0%
Consolidated Current Assets	4,990.26	37.8%
Consolidated Non-current Assets	8,197.13	62.2%
Consolidated Total Liabilities	4,146.00	31.4%
Consolidated Current Assets Net of Consolidated Total Liabilities	844.26	6.4%
Consolidated Total Assets Net of Consolidated Total Liabilities	9,041.39	68.6%

Consolidated Results of Operations

The Group's results of operations continues to be positive as the consolidated net profit after tax remained hefty for the last three fiscal years.

The consolidated operating income for the fiscal year ended March 31, 2016 reached P1,151.02 million, a 14.5% improvement from fiscal year 2015's P1,005.59 million. Other income also showed a 4.3% improvement as it reached P232.22 during the same period compared to P222.65 million for the same comparative period in 2015. With both income sources generating positive growth, net profit before tax reached P1,383.24 million, a 12.6% increase from last year's P1,228.24 million. Tax expense for the year is at P158.34 million; while the net profit after tax was at P1,224.9 million. This year's result of operations shows a significant improvement in profitability by 13.6% compared to last year's P1,078.16 million.

The fiscal year ended May 31, 2017 was marked with the start of implementation of the K-12 program wherein graduating high school students need to undergo additional 2-year senior high school levels, resulting to very few freshmen enrollees for the School Years (S.Y.) 2016-2017 and 2017-2018. In spite of this, the Group's result of operations remained optimistic by registering an operating income amounting to P767.25 million and other income amounting to P160.48 million, thus, generating a modest profit before tax of P927.74 million. Tax expense is at P121.28 million, while the net profit after tax settled at P806.45 million.

With the second year of K-12 implementation, the trend continued as the consolidated operating income for the fiscal year ended May 31, 2018 dipped to P483.91 million from last year's P767.25 million; however, other income remained almost steady at P156.23 million. Overall results, however, remained resilient as the Group still posted a sustainable profit before tax amounting to P640.14. After income tax expense of P92.51 million, net profit after tax remains sound at P547.63 million.

Table 6

(Amounts in Million Philippine Peso)

Fiscal Year Ending	Consolidated Operating Income	Periodic Increase / (Decrease)		Consolidated Other Income	Periodic Increase / (Decrease)		Consolidated Net Profit Before Tax	Periodic Increase / (Decrease)	
		Amount	%		Amount	%		Amount	%
March 31, 2014	P 829.30	P -	-	P 201.62	P -	-	P 1,030.93	P -	-
March 31, 2015	1,005.59	176.29	21.3%	222.65	21.03	10.4%	1,228.24	197.31	19.1%
March 31, 2016	1,151.02	145.43	14.5%	232.22	9.57	4.3%	1,383.24	155.00	12.6%
May 31, 2017	767.25	(383.76)	-33.3%	160.48	(71.74)	-30.9%	927.74	(455.50)	-32.9%
May 31, 2018	483.91	(283.34)	-36.9%	156.23	(4.25)	-2.7%	640.14	(287.59)	-31.0%
Four-year Average	P 851.94	(P 86.35)	-8.6%	P 192.90	(P 11.35)	-4.7%	P 1,044.84	(P 97.70)	-8.0%

Still based on the last four fiscal years, average Consolidated Net Profit Before Tax is at P1,044.84 million annually. Average contribution based on the same four-year period coming from Operating Income and Other Income amounted to P851.94 million and P192.9 million, respectively (*see Table 6*).

The significant contribution of Operating Income to the Consolidated Net Profit Before Tax is due to the effective control of Costs and Operating Expenses which posted an average annual increase of 7.8%, or P140.85 million, based on the same four-year period. The average annual increase in revenue is slightly lower at 2.6%, or P54.5 million (*see Table 7*). Such trend in revenues was significantly affected by the current year decline due to the K-12 program; however, such is expected to slowly normalize as college freshmen enrollees are expected to return starting S.Y. 2018-2019. Such trend highlights the efficiency of the Groups business operations.

Table 7

(Amounts in Million Philippine Peso)

Fiscal Year Ending	Consolidated Operating Revenue	Periodic Increase / (Decrease)		Consolidated Costs and Operating Expenses	Periodic Increase / (Decrease)		Consolidated Operating Income	Periodic Increase / (Decrease)	
		Amount	%		Amount	%		Amount	%
March 31, 2014	P 2,448.19	P -	-	P 1,618.89	P -	-	P 829.30	P -	-
March 31, 2015	2,778.47	330.28	13.5%	1,772.88	153.99	9.5%	1,005.59	176.29	21.3%
March 31, 2016	3,066.34	287.87	10.4%	1,915.33	142.45	8.0%	1,151.02	145.43	14.5%
May 31, 2017	2,862.82	(203.52)	-6.6%	2,095.57	180.24	9.4%	767.25	(383.76)	-33.3%
May 31, 2018	2,666.21	(196.61)	-6.9%	2,182.30	86.73	4.1%	483.91	(283.34)	-36.9%
Four-year Average	P 2,843.46	P 54.50	2.6%	P 1,991.52	P 140.85	7.8%	P 851.94	(P 86.35)	-8.6%

The Group's revenue pertains mainly to Tuition and Other School Fees which is generated from educational services, being its core operations. Presented in Table 8 is the composition of the Group's consolidated revenues.

Table 8

(Amounts in Million Philippine Peso)

Fiscal Year Ending	Tuition and Other School Fees	%	Rental Income	%	Management Fee	%	Others	%	Total Revenue	%
March 31, 2015	2,612.00	94.0%	117.94	4.3%	43.49	1.6%	5.04	0.1%	2,778.47	100.0%
March 31, 2016	2,918.59	95.2%	124.07	4.1%	20.45	0.6%	3.24	0.1%	3,066.34	100.0%
May 31, 2017	2,816.83	98.4%	43.43	1.5%	-	-	2.56	0.1%	2,862.82	100.0%
May 31, 2018	2,620.18	98.3%	42.03	1.6%	-	-	4.00	0.1%	2,666.21	100.0%
Four-year Average	P2,741.90	96.5%	P 81.87	2.9%	P 15.98	0.6%	P 3.71	0.1%	P2,843.46	100.0%

A Look at What Lies Ahead

Moving forward, continuous cost efficiency will have to prevail.

Coming from the second year of K-12 implementation, Group enrollment is expected to improve starting S.Y. 2018-2019 due to college freshmen enrollees, and the start of operations of FEU Alabang. In the succeeding years, student population of the FEU schools are expected to gradually normalize.

Fully aware of the importance to maintain a satisfactory level of enrollment, the Group is committed to continue the uplifting of the academic standards in its different schools. This will be done through continuously updating of curricula, strengthening faculty competency, improving services to students and providing the best educational facilities. With a reasonable tuition fee hike, the Group is confident that it will maintain its market share in the industry. Further, with the constant effective and efficient management of its schools and other entities within the Group, it expects to have a reasonable growth, or at least to maintain, its consolidated net income level.

Top Five (5) Key Performance Indicators

I. Test of Liquidity

Liquidity refers to the Group's ability to pay its short-term current liabilities as they fall due. This is measured by any of the following:

1) Current ratio measures the number of times that the current liabilities could be paid with the available current assets (Adequate: at least 1.5:1)

As of May 31,		*As of March 31,*	
2018	2017	2016	2015
1.82 : 1	3.48 : 1	5.65 : 1	2.51 : 1

2) Quick ratio measures the number of times that the current liabilities could be paid with the available quick assets (Adequate: at least 1:1)

As of May 31		*As of March 31,*	
2018	2017	2016	2015
1.62 : 1	3.01 : 1	5.37 : 1	2.36 : 1

II. Test of Solvency

Solvency refers to the Group's ability to pay all its debts whether such liabilities are current or non-current. It is somewhat similar to liquidity, except that solvency involves a longer time horizon. This is measured by any of the following:

1) Debt-to-equity ratio measures the amount of assets provided by the creditors relative to that provided by the owner (Adequate : 100% or less)

As of May 31,		*As of March 31*	
2018	2017	2016	2015
46%	36%	18%	21%

2) Debt-to-asset ratio measures the amount of assets provided by the creditors relative to the total amount of assets of the Group. (Adequate: 50% or less)

As of May 31,		*As of March 31,*	
2018	2017	2016	2015
31%	26%	15%	17%

3) Equity-to-asset ratio measures the amount of assets provided by the owner relative to the total assets of the Group (Adequate: 50% or more)

As of May 31,		*As of March 31,*	
2018	2017	2016	2015
69%	74%	85%	83%

III. Test of Profitability

Profitability refers to the Group's earning capacity. It also refers to the Group's ability to earn a reasonable amount of income in relation to its total investment. It is measured by any of the following:

1) Return on total assets measures how well management has used its assets under its control to generate income (Adequate: at least equal to the prevailing industry rate).

As of May 31,		*As of March 31,*	
2018	2017	2016	2015
4%*	7%*	13%	12%

2) Return on owner's equity measures how much was earned on the owners' or stockholders' investment. (Adequate: at least equal to the prevailing industry rate).

As of May 31,		*As of March 31,*	
2018	2017	2016	2015
6%*	9%*	15%	14%

3) Earnings per share measure the net income per share.

As of May 31,		*As of March 31,*	
2018	2017	2016	2015
P 29.96*	P 45.61*	P 70.89	P 62.48

Decrease in net income due to the implementation of K-12. There were lesser college freshmen and sophomore students (see *Note 12 on page 58*)

IV. Product/Service Standards

- **FEU – Manila *(operated by FEU or the University)***

1) FEU was awarded with Autonomous Status from April 1, 2016 to May 31, 2019.

2) FEU gained the ASEAN University Network membership last August 10, 2017.

3) The Philippine Association of Colleges and Universities Commission on Accreditation (PACUCOA) has granted Certificates of Level IV Status from December 2015 to December 2020 to the following programs:

- ***Bachelor of Arts in Mass Communications***
- ***Bachelor of Science in Business Administration major in:***
  - *Business Economics*
  - *Financial Management*
  - *Marketing Management*
  - *Human Resource Development Management*
  - *Operations Management*
  - *Business Management*
  - *Internal Auditing*
  - *Legal Management*
- ***Bachelor of Science in Accountancy***
- ***Bachelor of Science in Applied Math major in IT***
- ***Bachelor of Science in Biology***
- ***Bachelor of Science in Psychology***
- ***Bachelor of Elementary Education***
- ***Bachelor of Secondary Education***

Also, PACUCOA has granted Level II Reaccredited Status from February 2017 to February 2022 to the following programs:

- ***Master of Arts in Psychology***
- ***Master of Arts in Education***
- ***Doctor of Education***

PACUCOA has granted Level II Reaccredited Status from 2018 to 2023 to the following programs:

- ***Bachelor of Arts in English Language***
- ***Bachelor of Arts in Literature***
- ***Bachelor of Arts in Political Science***
- ***Bachelor of Science in Hotel and Restaurant Management***

PACUCOA has granted Level I Status from February 2017 to February 2022 to ***Bachelor of Science in Architecture***.

PACUCOA has granted Level I Status from November 2016 to November 2019 to the following programs:

- ***Bachelor of Science in Medical Technology***
- ***Bachelor of Science in Tourism Management***
- ***Bachelor of Arts in International Studies***
- ***Bachelor of Fine Arts***

Moreover, PACUCOA has granted Candidate Status from March 2017 to March 2019 to the following programs of FEU-Makati:

- ***Bachelor of Science in Accountancy***
- ***Bachelor of Science in Accounting Technology***
- ***Bachelor of Science in Business Administration***

The Philippine Accrediting Association of Schools, Colleges and Universities (PAASCU) granted Level III Status to ***Bachelor of Science in Nursing*** program until 2021.

Bachelor of Science in Business Administration was awarded ***Center of Development*** by the Commission on Higher Education from April 1, 2016 to December 31, 2018.

Teacher Education Program was awarded ***Center of Excellence*** by the Commission on Higher Education until December 31, 2018.

Teaching performance is constantly being monitored to maintain a superior level of quality. Various incentives are given to faculty for teaching excellence.

Performance of FEU graduates in their respective Professional Licensure Examinations is generally better than national passing rates.

The following are the highlights of FEU's performance in the recent board examinations.

- **9th Top Performing School in the August 2017 Medical Technologist Licensure Examination**
- **10th Top performing School in the November 2017 Nursing Licensure Examinations**
- **3rd Top Performing School in the March 2018 Medical Technologist Licensure Examinations**
- **Other Top Performance of Individual Graduates**
    - *Medical Technologist, August 2017* - *3rd, 7th and 9th Place*
    - *Certified Public Accountant (CPA) Licensure Examination, October 2017* - *9th Place*
    - *Psychometrician Licensure Examinations, October 2017* - *3rd, 6th, 8th, 9th and 10th Place*
    - *Architecture Licensure Examination, January 2018* - *10th Place*
    - *Medical Technologist, March 2018* - *4th Place*
    - *CPA, May 2018* - *5th Place*

- **FEU Institute of Technology *(operated by EACCI)***

FEU Tech continuous to strive to remain as among the best educational institutions providing quality education in the fields of Engineering and Information Technology.

The PAASCU granted Level II Accredited Status to ***Information Technology*** and ***Computer Science*** programs until May 2020.

Moreover, Level I Accredited Status was granted by PAASCU to ***Civil Engineering*** and ***Computer Engineering*** programs until April 2018.

Graduates of FEU Tech showed impressive performances in their respective Professional Licensure Examinations as the results garnered are generally higher than national passing rates. The following are the highlights of FEU Tech's performance in the recent board examinations:

Top Performance of Individual Graduates:

- *Civil Engineering, November 2017* - *10th Place*
- *Electronics Engineering, April 2018* - *1st, 5th, 7th and 9th Place*
- *Civil Engineering, May 2018* - *9th Place*

- **FEU Cavite *[operated by Far Eastern College - Silang, Inc. (FECSI)]***

Like any other schools of the Group, FEU Cavite is operated and managed in line with FEU's quality standards and best practice

FEU Cavite achieved significant milestones that brought it closer to its aspirations of achieving regulatory excellence, referring to compliance with government requirements and standards; matched excellence, or having graduates who are equipped with the right knowledge, skills, and behaviors needed in moving to the next level of learning and in being employed in fields of endeavor where they can best contribute; and adaptive excellence, or having students equipped with critical thinking skills that will help them face local and global demands.

FEU Cavite continued its pursuit of quality education through various faculty training programs and student development activities that made work and educational experiences more fulfilling and enriching. Industry linkages and organizational partnerships were also continuously strengthened through benchmarking on evidenced-based best practices for curriculum improvement, program development, and other collaborative activities.

Overall, FEU Cavite has embarked on curricular and infrastructure projects to advance its program offering. The projects include curriculum mapping, preparation for use of Canvas as a new learning management system, alignment of syllabi to outcomes-based education, curriculum revision, and program reviews. Additional personnel were also hired in key non-academic service units alongside high-quality teachers to serve the expanded population of senior high school.

- **FEU Senior High School *(operated by FEU High)***

FEU High was established to offer pre-school, grade school and high school education programs, and various technical and vocational education and training programs.

The FEU Senior High School offers four strands under the Academic Track of the Department of Education two-year senior high school program:

- ***Science, Technology, Engineering and Mathematics (STEM)***
- ***Accounting, Business and Management (ABM)***
- ***Humanities and Social Sciences (HUMSS)***
- ***General Academic Strand (GAS) – with sub-specializations of Tourism, Arts and Design, and Sports and Health***

The academic offerings are complemented with the following special programs that foster experiential learning and development of leadership, social skills, and service among the students:

- *FEU HS Integrated Enhancement and Reinforcement Classroom Experience (FIERCE) – Summer Program;*
- *Student Training on Responsible Individuality and Development Enhancement Sessions (STRIDES);*
- *Multiple Intelligence Learning Enhancement Sessions (MILES) – Club Program;*
- *Student Alternative Integrated Learnings Sessions (SAILS) – Alternative Classes; and,*
- *Student Academic Intervention Program (SAiVE)*

FEU Senior High School aims at solidifying its ground as a premier senior high school, true to the FEU brand of excellence but having its own distinct identity.

- **FEU Alabang *(to be operated by FEU Alabang, Inc.)***

FEU Alabang strengthens the Group's commitment to give students a complete academic experience. Being the sixth campus of FEU, it serves as the continuing realization of Dr. Nicanor Reyes Sr.'s aspiration that all graduates of the FEU community build rewarding careers in professions that will be beneficial to the country's growth.

Set to become one of the pioneering academic institutions in the area, FEU Alabang offers the following programs:

Senior High School

- *Science, Technology, Engineering, and Mathematics (STEM)*
- *Accountancy, Business, and Management (ABM)*
- *Humanities and Social Science (HUMSS)*
- *General Academic Strand (GAS)*

College of Engineering

- *Bachelor of Science in Civil Engineering*
- *Bachelor of Science in Computer Engineering*
- *Bachelor of Science in Electronics Engineering*
- *Bachelor of Science in Electrical Engineering*
- *Bachelor of Science in Mechanical Engineering*
- *Bachelor of Science in Manufacturing Engineering*

College of Computer Studies and Multimedia Arts

- *Bachelor of Arts in Multimedia Arts*
- *Bachelor of Science in Computer Science*
- *Bachelor of Science in Entertainment and Multimedia Computing*

- **Roosevelt College *[operated by Roosevelt College, Inc. (RCI)]***

Roosevelt College lays claim to a long history of establishing good-quality nonsectarian private high schools, first as Marikina Academy in 1933 and as RCI starting 1946. Soon after its founding, the academy ranked among the top 20 of the 70 private high schools in the Philippines. As it became a member of the FEU group of schools in 2016, RCI is expected to carry forward FEU's mark of offering quality educational programs and facilities, while improving its accessibility to more Filipino families.

The previous academic year marked by the outstanding performance of students from different grade levels. Notable student accomplishments include the following: Center for Educational Management (CEM) post-tests, RCI students obtained scores that are equal to or higher than the population mean of all CEM clients; a student from RCI Cainta placed third in a national quiz contest, and a student from Rodriguez campus was named one of the Ten Outstanding Boy Scouts of the Philippines.

In terms of accreditation, RCI campuses maintain evidence of continuous growth. The Rodriguez campus was granted Level II accreditation by PAASCU and is slated for an interim visit this school year. The Marikina and Cubao campuses were recertified by the Private Education Assistance Committee (PEAC) in February 2018, while the Cainta campus is due for PEAC visit in AY 2018-2019.

Roosevelt College Inc. offers the following degree programs and short programs:

- **Basic Education Program: K-12**
- **Developmental Kindergarten for 4-year olds** *(RCI Cainta and RCI Rodriguez)*
- **Special Science Program for Junior High School students with high aptitude in Science, Math, and English** *(RCI Cainta)*

- **Senior High School**
  - *Academic Track: ABM, HUMSS, and STEM strands*
  - *Tech-Vocational: Home Economics strand (RCI Rodriguez only)*

- **Tertiary Education** *(RCI Cainta only, except if otherwise indicated)*

  Undergraduate Programs

  - *AB Broadcasting*
  - *AB Psychology (RCI Marikina)*
  - *Bachelor of Elementary Education with Specialization in Early Childhood Education*
  - *Bachelor of Elementary Education with Specialization in Special Education*
  - *Bachelor of Secondary Education Major in English*
  - *Bachelor of Secondary Education Major in Mathematics*
  - *Bachelor of Secondary Education Major in Music, Arts, Physical Education and Health*
  - *BS Information Technology (RCI Marikina)*
  - *BSBA Human Resources Management (RCI Marikina)*
  - *BSBA Operations Management (RCI Marikina)*
  - *BS Hotel and Restaurant Management*

  Graduate Program

  - *MA in Education Major in Educational Management*
  - *MA in Education Major in Educational Technology*
  - *MA in Education Major in Teaching in the Early Grades*
  - *MA in Education Major in Social Studies*
  - *MA in Education Major in Filipino Education*
  - *MA in Education Major in Mathematics Education*
  - *MA in Education Major in Science Education*
  - *MA in Education Major in English Studies & Instruction*
  - *MA in Education Major in Guidance & Counselling*
  - *MA in Education Major in Special Education*
  - *Teacher Certificate Program*

V. Market Acceptability

- ***FEU Manila (Main Campus)***

Despite certain economic challenges and the immediate effects of changes in the Philippine education system, the University's population remained steady as reflected in its substantial enrollment level at each start of academic year for the last five years

Below is the trend of the University's first semester enrollment for the past five years.

School Year	No. of Students	Increase / (Decrease)
2013 – 2014	28,970	-
2014 – 2015	27,956	(1,014)
2015 - 2016	26,752	(1,204)
2016 - 2017	20,705	(6,047)
2017 - 2018	15,754	(4,951)

S.Y. 2016-2017 and 2017-2018 are the initial years of K-12 program implementation wherein there are very few freshmen enrollees. Currently, the University registered 18,242 student population to open the S.Y. 2018-2019.

- ***FEU Institute of Technology***

FEU Tech has solidified its stature as among the most preferred higher education institution in terms of providing quality education in the fields of Engineering and Information Technology.

Since its start of operations in S.Y. 2014-2015, student enrollment remains steady.

School Year	No. of Students		
	First Term	Second Term	Third Term
2014 - 2015	3,017	2,691	2,479
2015 - 2016	5,925	5,538	5,032
2016 - 2017	7,491	6,972	6,488
2017 - 2018	6,419	5,977	5,563

For the S.Y. 2018-2019, FEU Tech reached a student population of 7,704 for the first term.

- ***FEU Cavite***

FEU Cavite's enrollment level for its Higher Education Department (HED) has remained steady over the years. As expected, enrollment in HED dropped in S.Y. 2016-2017 and 2017-2018 due to the initial years of implementation of K-12 program. This was mitigated, however by the **357** students who enrolled in FEU-Cavite's senior high school.

Meanwhile, its (Basic Education Department) BED remains at competitive levels over the past few years.

Presented below is the first semester (for HED) and basic education program enrollment of FEU-Cavite for the last five years.

	HED (First Semester)		BED	
School Year	**Enrollment**	**Increase / (Decrease)**	**Enrollment**	**Increase / (Decrease)**
2013 – 2014	772	-	456	-
2014 - 2015	898	126	395	(61)
2015 - 2016	1,128	230	358	(37)
2016 - 2017	938	(190)	511	153
2017 - 2018	678	(260)	678	167

The opening of S.Y. 2018-2019 registered a total 641 students for the HED and 896 students for the BED. With overall enrollments steady at competitive levels, residents of Cavite and its nearby localities now consider FEU Cavite as among the best choices among schools in the area that provide excellent quality college and basic education to students.

- ***FEU Senior High School***

FEU Senior High School opened its doors starting S.Y. 2016-2017 in line with the first year of implementation of the senior high school (Grades 11 and 12) of the K-12 program. Its first batch of Grade 11 senior high school students reached 1,956 students from different junior high schools and were enrolled in 51 class sections under the four academic strands.

In its second year of operations, S.Y. 2017-2018, FEU Senior High School continues to take off with a total of 4,041 students enrolled in 96 class sections.

For S.Y. 2018-2019, enrollment further improved to 4,518 students.

- ***FEU Alabang***

  Set to open of its initial year of operations in S.Y. 2018-2019, FEU Alabang has registered an initial enrollment of 578 students for its tertiary programs and 1,124 for its senior high school programs.

- ***Roosevelt College***

  The Roosevelt College system with its campuses in eastern Metro Manila and Rizal area have registered enrollments of 422 students for its tertiary programs, 1,087 students for its senior high school programs and 2,992 students for its basic education programs.

FORMULA USED:

I. Liquidity

1 Current ratio = $\frac{\text{Current assets}}{\text{Current liabilities}}$

2 Acid test ratio = $\frac{\text{Quick assets}}{\text{Current liabilities}}$

II. Solvency

1 Debt to Equity ratio = $\frac{\text{Total liabilities}}{\text{Total equity}}$

2 Debt to Asset ratio = $\frac{\text{Total liabilities}}{\text{Total assets}}$

3 Equity to Asset ratio = $\frac{\text{Total equity}}{\text{Total assets}}$

III. Profitability

1 Return on assets = $\frac{\text{Net profit}}{\text{Total assets}}$

2 Return on owner's equity = $\frac{\text{Net profit}}{\text{Total equity}}$

3 Earnings per share = $\frac{\text{Net profit}}{\text{Weighted average outstanding shares}}$

FACTS (Based on Consolidated Balances):

(Amounts in Million Philippine Pesos)

	May 31,		March 31,	
	2018	2017	2016	2015
FINANCIAL POSITION				
Assets:				
Quick assets*	P 4,432.67	P 4,351.51	P 4,014.83	P 3,575.68
Current assets	4,990.26	5,032.30	4,227.41	3,804.40
Non-current asset	8,197.13	6,927.54	5,463.64	5,286.48
Total assets	13,187.39	11,959.84	9,691.05	9,090.88
Liabilities:				
Current liabilities	P 2,742.46	P 1,444.88	P 747.85	P 1,516.57
Non-current liabilities	1,403.54	1,692.34	722.42	55.48
Total liabilities	4,146.00	3,137.22	1,470.27	1,572.05
Equity:				
Total equity	P 9,041.40	P 8,822.63	P 8,220.78	P 7,518.83
• Attributable to owners of the Parent Company	6,862.19	6,712.12	6,569.20	5,889.36
• Non-controlling interest	2,179.21	2,110.51	1,651.58	1,629.47
RESULTS OF OPERATIONS				
Net Profit:				
Operating profit	P 483.91	P 767.25	P 1,151.02	P 1,005.59
Other income	156.23	160.48	232.22	222.65
Net profit before tax	640.14	927.74	1,383.24	1,228.24
Net profit after tax	547.63	806.45	1,224.90	1,078.16
• Attributable to owners of the Parent Company	492.23	749.52	1,166.02	1,028.97
• Non-controlling interest	55.40	56.93	58.88	49.19
Other Comprehensive Income:				
Other comprehensive income	(P 64.80)	(P 20.22)	(P 92.08)	P 94.32
Total comprehensive income	482.83	786.23	1,132.82	1,172.49

** Quick assets include Cash and Cash Equivalents, Trade and Other Receivables – net (under Current Assets), Available-for-Sale Financial Assets (under Current Assets), Held-to-Maturity Investments (under Current Assets) and Short-term Investment which is included as part of Other Current Assets – net (see **Note 16 of the Consolidated Financial Statements**).*

FACTS (Based on Consolidated Balances):

	(Amounts in Philippine Peso and In Absolute Value Unless Otherwise Indicated)			
	May 31,		March 31,	
	2018	2017	2016	2015
OTHERS:				
Weighted average number of shares outstanding	16,430,700	16,434,790	16,449,038	16,468,304
Earnings per share	P 29.96	P 45.61	P 70.89	P 62.48

Other Items

1. In general, the current economic condition remains stable for both the clientele and educational institutions; however, certain economic factors are still expected to affect the revenues and income from the Group's operations. Such factors include the implementation of K-12 program and the possible competition from tuition-free State Universities and Colleges.

2. There are no known events that would result in any default or acceleration of an obligation.

3. Other than those disclosed in the financial statements, there are no other known events that will trigger direct or contingent financial obligation that may be material to the Group.

4. On April 12, 2016, FEU entered into a Share Purchase Agreement (SPA) with certain stockholders of RCI for FEU's initial acquisition of 80% of the total issued and outstanding shares of RCI, with the option for FEU to subsequently acquire up to 99.42% of RCI's total issued and outstanding shares.

   During the year ended May 31, 2017, the University acquired additional 52,349 shares of stock of RCI from various selling stockholders of RCI. The additional shares are equivalent to 17.71% of the total outstanding shares of RCI. As of May 31, 2018 and 2017, the University already owns 97.43% of RCI's total outstanding shares.

   Other than the above transactions, there are no other material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the Group with unconsolidated entities or other persons created during the reporting period.

5. The Group does not foresee any cash flow or liquidity problem in the next 12 months immediately following the report date. The Group and each of the component entities can easily meet all its commitments with its present reserves and expected earnings.

6. There are no significant elements of income or loss from continuing operations.

7. There are no sales of Unregistered or Exempt Securities including Recent Issuance of Securities Constituting an Exempt Transaction.

8. FEU Makati Campus, which was opened in June 2010 and strategically located in the heart of the Makati Central Business District, continues to offer undergraduate business courses. Further, FEU Makati offers graduate programs for business and also houses FEU's Institute of Law.

   For the fiscal year ending May 31, 2018, FEU Makati generated total Educational and Other Income amounting to P89.3 million. Efficient administration keep operating expenses at a manageable level of P22.3 million, which eventually yielded a net income of P67.0 million.

9. In January 2013, FEU established its new subsidiary FEU Alabang, Inc. The new subsidiary will operate as an educational institution and will serve the market within its vicinity and nearby communities.

   As of May 31, 2018, FEU Alabang, Inc. has not yet commenced its normal operations and still in its pre-operating stage; however, the construction of its campus is substantially completed.

   Operations of FEU Alabang, Inc., however, started in August 2018 for the S.Y. 2018-2019 with an initial enrollment of 1,124 senior high school, and 578 college students.

10. EACCI, under the trade name FEU Institute of Technology (FEU Tech), started its operations in 2015. FEU Tech is now in full operations. It offers various engineering and information technology courses.

11. Seasonal aspects that have material effect on the financial statements:

    For FEU Manila and FEU Cavite (Tertiary), there are three school terms within a fiscal year: Summer Term (June to July for FEU Manila, while April to May for FEU Cavite), First Semester (August to December for FEU Manila, while June to October for FEU Cavite) and Second Semester (January to May for FEU Manila and November to March for FEU Cavite).

    The first semester has the highest number of students enrolled. The second semester enrollment is approximately at 90% of the first semester's enrollment, while the summer term is the lowest at an approximate of 33%. The maximum load, in terms of subject units, of a student during the summer term is only nine units, compared to 21 to 24 units during the first and second semesters.

For the FEU Tech and FEU Alabang, there are three regular terms in a fiscal year: First Term (August to November), Second Term (November to March) and Third Term (March to June).

The tuition fee increase, if any, usually takes effect during the first semester of a particular school year. Thus, old rates are followed during the summer term while new rates are applied during the first and second semesters. Since the first quarter is from June to August, the resulting income for the first quarter is at the lowest among the four quarters of the fiscal year.

12. The K-12 program of the government is anticipated to have an adverse effect on enrollment, particularly on S.Y. 2017-2018. With the enhancement of the current 10-year basic education program, high school graduates need to undergo the senior high school program for two years starting S.Y. 2016-2017 before being able to move on to the college level. With this, it is expected that there will be no college freshmen enrollees for the S.Y. 2016-2017 and S.Y. 2017-2018.

    To cushion the expected impact of K-12, FEU had organized a new subsidiary to offer and conduct enhanced basic education programs, including junior and senior high school. On June 2014, FEU High School, Inc. (FEU High) was incorporated and registered with the Philippine Securities and Exchange Commission with the primary purpose of offering pre-school, grade school and high school education programs and various technical and vocational education and training programs. FEU High started its operations beginning S.Y. 2016-2017.

    With EACCI, RCI and FEU-Alabang's operations, the Group is confident of not only maintaining the quality and high standards of its service offerings, but continuing the development for further academic excellence of the FEU system.

13. On March 15, 2016, the University's Board of Trustees (BOT) approved the amendment of its by-laws for the change in the University's current fiscal year from a fiscal year beginning on April 1 and ending on March 31, to a fiscal year beginning on June 1 and ending on May 31. The amended by-laws was approved by the SEC on June 29, 2016. The University's application for change in fiscal year was approved by the Bureau of Internal Revenue (BIR) on June 30, 2016. Such change became effective on June 1, 2016.

14. The Group identifies its operating segments as its three major lines of business namely education, real estate and investment activities.

    Also, the Group reports geographical segments in which campuses of FEU Schools are located.

(Amounts in Thousand Philippine Peso)

Operating Segments by Line of Business:

		Real Estate			
	Education	**Rental**	**Sale of Properties**	**Investment**	**Total**
Revenues	P 2,620,181	P 220,280	P -	P 193,888	P 3,034,349
Costs and operating expenses	(2,091,827)	(65,191)	-	(15,262)	(2,172,280)
Operating income	P 528,354	P 155,089	P -	P 178,626	P 862,069
Assets	P 8,635,533	P 2,106,778	P 170,573	P 4,334,007	P 15,246,891
Liabilities	4,308,982	2,088	-	339,387	4,650,457

Operating Segments by Geographical Location:

	Manila	**Makati**	**Cavite**	**Quezon City, Marikina City and Rizal**	**Total**
Revenues	P 2,623,374	P 89,282	P 90,502	P 231,191	P 3,034,349
Costs and operating expenses	(1,867,061)	(22,304)	(72,918)	(254,605)	(2,172,280)
Operating income	P 756,313	P 111,586	P 17,584	(P 23,414)	P 862,069
Assets	P 13,717,653	P 99,014	P 143,555	P 1,286,669	P 15,246,891
Liabilities	3,924,819	64,010	27,583	634,045	4,650,457

(Amounts in Thousand Philippine Peso)

Reconciliation of Segment Information to Financial Information in the Consolidated Financial Statements:

	Amounts per Segment	Reconciling Items	Amounts per Consolidated Financial Statements
Revenues	P 3,034,349	(P 372,140)	P 2,662,209
Other operating income	-	3,998	3,998
Costs and operating expenses	(2,172,280)	10,016	(2,182,296)
Operating income	P 862,069	(P 378,158)	P 483,911
Assets	P 15,246,891	(P 2,059,497)	P 13,187,394
Liabilities	4,650,457	(504,460)	4,145,997

Item 7. Financial Statements

The Financial Statements including the applicable schedules listed in the accompanying index to financial statements and supplementary schedules are filed as part of this Form 17-A. *(Please see attachments)*

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There has been no recent change in and disagreement with Accountants on accounting and financial disclosure.

PART III - CONTROL AND COMPENSATION

Item 9. Trustees and Executive Officers

Name	Ages	Citizenship	Position
Lourdes R. Montinola	90	Filipino	Chair Emeritus, Board of Trustees
Aurelio R. Montinola III	67	Filipino	Chairman, Board of Trustees
Michael M. Alba	61	Filipino	President/Trustee
Angelina P. Jose	65	Filipino	Trustee
Paulino Y. Tan	72	Filipino	Trustee
Antonio R. Montinola	65	Filipino	Trustee
Sherisa P. Nuesa	63	Filipino	Independent Trustee
Robert F. Kuan	70	Filipino	Independent Trustee
Edilberto C. de Jesus	76	Filipino	Independent Trustee
Maria Teresa Trinidad P. Tinio	53	Filipino	Senior Vice President for Academic Affairs
Juan Miguel R. Montinola	57	Filipino	Chief Finance Officer
Myrna P. Quinto	56	Filipino	Vice President for Academic Development
Gianna R. Montinola	60	Filipino	Vice President for Corporate Affairs
Renato L. Serapio	60	Filipino	Vice President for Human Resource Development
Santiago L. Garcia, Jr.	62	Filipino	Vice President for Compliance Officer and Corporate Secretary
		Filipino	Chief Information Officer
Rosanna I. Salcedo	54	Filipino	Treasurer
Glenn Z. Nagal	60	Filipino	Comptroller
Rogelio C. Ormilon, Jr.	52	Filipino	Chief Audit Executive and Risk Management Officer

TRUSTEES AND EXECUTIVE OFFICERS:

1. Lourdes R. Montinola, 90, Filipino: Chair Emeritus (August 2013 to present), Chair (June 1989 to August 2013), Far Eastern University, Inc.

Other Corporate Affiliations: Chair, Board of Directors, FERN Realty Corporation; Chair and President, FEU Educational Foundation, Inc.; Chair Emeritus, Nicanor Reyes Educational Foundation, Inc.; Chair, Far Eastern College Silang, Inc.; Governor, Nicanor Reyes Memorial Foundation; Trustee, FEU-Dr. Nicanor Reyes Medical Foundation, Inc.; Board Member, MEMORARE-Manila 1945 Foundation, Inc. and The English Speaking Union. She is also a Member of the Museum Foundation of the Philippines, Inc., the Oriental Ceramic Society, the Heritage Conservation Society, HABI: The Philippine Textile Council, Inc. and the Asia Society Philippine Foundation, Inc.

Dr. Montinola holds a Bachelor of Arts degree (*cum laude*) from Marymount College, New York, U.S.A., and an M.A. in Cultural History from the Asean Graduate Institute of Arts. She completed the Management Development Program for College and University Administrators in the Institute for Educational Management, Graduate School of Education, Harvard University, U.S.A. She obtained her Ph.D. in English: Creative Writing from the University of the Philippines.

. **2. Aurelio Montinola III, 67, Filipino: Chairman of the Board of Trustees (August 2013 to present), Vice Chairman (June 1989 to August 2013), Far Eastern University, Inc.**

Other Corporate Affiliations: Chairman, Amon Trading Inc., East Asia Computer Center, Inc., East Asia Educational Foundation, Inc., Nicanor Reyes Educational Foundation, Inc., World Wildlife Fund Philippines, FEU High School, Inc., FEU Alabang, Inc., Roosevelt College, Inc., and National Golf Association of the Philippines; Vice Chairman, Philippine Business for Education Foundation (PBED); Director, BPI/MS Insurance Corporation; Trustee, Ramon Magsaysay Award Foundation; Member, Management Association of the Philippines and Makati Business Club; and Independent Director, Xeleb Technologies, Inc.

He is also a Director of the Bank of the Philippine Islands, and Independent Director of Roxas and Company Incorporated, both listed corporations.

He graduated with a BS Management Engineering degree at the Ateneo de Manila University in 1973, and received his MBA at Harvard Business School in 1977. He was awarded the 2005 and 2009 Asian Banker Leadership Award for the Philippines and the MAP Management Man of the Year Award in 2012.

3. Michael M. Alba, 61, Filipino: President and Member of the Board of Trustees, Far Eastern University, Inc. (October 2012 to present)

He is President concurrently of East Asia Computer Center, Inc.; Far Eastern College Silang, Inc.; FEU Alabang, Inc.; FEU High School, Inc.; Roosevelt College, Inc.; East Asia Educational Foundation, Inc.; and Nicanor Reyes Educational Foundation, Inc.; and Governor, Nicanor Reyes Memorial Foundation. His affiliations include, among others: FEU Public Policy Center (Chairman); Philippine Association of Colleges and Universities (Board Member; Chair, Research Committee); Association of Southeast Asian Institutions of Higher Learning, National Council of the Philippines (Chairman); Presidents' Forum of Southeast and South Asia and Taiwan Universities (Member, Steering Committee); Foundation for Information Technology Education and Development (President); Philippine Economic

Society (Lifetime Member and President, 2007); Action for Economic Reforms (Fellow); and Management Association of the Philippines (Member).

He obtained his AB (Economics) degree from the Ateneo de Manila University in 1978, MA (Economics) degree from the University of the Philippines (Diliman) School of Economics in 1987, and PhD (Applied Economics) degree from Stanford University in 1993.

4. Angelina Palanca Jose, 65, Filipino: Trustee (June 1990 to present) and Special Projects (February 2017 to present), Far Eastern University, Inc.

Other Corporate Affiliations: Member, Board of Directors, FERN Realty Corporation and FEU Alabang, Inc.; Trustee, Nicanor Reyes Educational Foundation, Inc.; Treasurer and Trustee, FEU Educational Foundation, Inc.; Corporate Secretary and Governor, Nicanor Reyes Memorial Foundation; Member, Executive Committee, Far Eastern University, Inc.; Corporate Secretary and Director, Far Eastern College Silang, Inc.; Chair, Angel C. Palanca Peace Program Foundation, Inc.; and Chair, Board of Trustees, (April 2014 – April 2015 and April 2017 to present) and Enrolled Member (2013 – 2016) Ahon Sa Hirap, Inc.

She was also the Corporate Secretary of Far Eastern University from February 1998 to January 2017.

Ms. Jose obtained her Bachelor of Science degree, major in Economics, from the University of the Philippines (Dean's Medal).

5. Paulino Y. Tan, 72, Filipino: Trustee, Far Eastern University, Inc. (June 1991 to present)

Other Corporate Affiliations: At present, Member of the Board of Directors/Trustees of the following companies: Nicanor Reyes Educational Foundation, Inc., FEU Educational Foundation, Inc., East Asia Educational Foundation, Inc., East Asia Computer Center, Inc., Lyceum of Batangas, Lyceum of Laguna, SM (Shoemart) Foundation, Inc., Asia Pacific Technology Educational Foundation, FERN Realty Corporation, Far Eastern College Silang, Inc., FEU High School, Inc., FEU Alabang, Inc., Asia Pacific College, Roosevelt College, Inc. and Foundation for Information Technology Education and Development , Inc.

Dr. Tan obtained the Degree of Bachelor in Science in Chemical Engineering from De La Salle University. He obtained both his M.S. and Ph.D. in Chemical Engineering from the University of Notre Dame, Indiana, U.S.A.

6. Antonio R. Montinola, 65, Filipino: Trustee, Far Eastern University, Inc. (November 2013 to present)

Other Corporate Affiliations: Chairman, President and Director – Round Royal, Inc.; President and Director FERN Realty Corporation, Monti-Rey, Inc. and Juliana Management Co., Inc.; Vice Chairman, Treasurer and Director, AMON Trading Corp., Director, Southwestern Cement Ventures, Inc., Far Eastern College Silang, Inc., and Nicanor Reyes Education Foundation, Inc.; and Trustee, FEU Educational Foundation, Inc.

Sports Affiliations: Member, Board of Managing Directors, Universities Athletic Association of the Philippines (UAAP); Team Manager, FEU Tamaraws; Member, Manila Golf Club; Member, Tagaytay Midlands Golf Club; Member, The Rockwell Club.

He worked with Procter & Gamble and Jardine Davies, Inc. in the Philippines and with General Mills Corp., based in Minneapolis, Minnesota, U.S.A.

Mr. Montinola holds an A. B. Economics Degree (honors course) from Ateneo de Manila University (1973) and an M.B.A. from Stanford University, Palo Alto, California, U.S.A. (1978).

7. Sherisa P. Nuesa, 63, Filipino: Independent Trustee, Far Eastern University (August 2010 to present).

Other Corporate Affiliations: President and Board Director, ALFM Mutual Funds Group and Independent Director, Generika/Actimed Group, East Asia Computer Center, Inc., FERN Realty Corporation and Far Eastern College Silang, Inc. She is also an Independent Trustee of East Asia Educational Foundation. She is a Trustee of Institute of Corporate Directors (ICD), Financial Executives Institute of the Philippines (FINEX) and Judicial Reform Initiative. She also serves as a Senior Adviser to the Boards of Vicsal Development Corporation and Metro Retail Stores Group, Inc.

She is also an Independent Director of Manila Water Company and Integrated Micro-Electronics, Inc., both listed corporations.

She graduated with the degree of Bachelor of Science in Commerce (*summa cum laude*) at Far Eastern University in 1974 and received her Master in Business Administration degree from the Ateneo - Regis Graduate School of Business in 2010. She also attended post-graduate management programs at Harvard Business School and Stanford University. She received the ING -FINEX CFO of the Year award in 2008.

8. Robert F. Kuan, 70, Filipino: Independent Trustee, Far Eastern University, Inc. (September 2004 to present)

Other Corporate Affiliations: Trustee, St. Luke's Medical Center, Quezon City (Chairman, 1996-2011), St. Luke's Medical Center, Global City, Inc. (Chairman, 2009-2011), St. Luke's College of Medicine–William H. Quasha Memorial, Brent International School of Manila and Brent International School Subic, Inc., and AIM Scientific Research Foundation, Inc.; Chairman, Brent International School Baguio, Inc., Brent Schools, Inc., Willis Towers Watson Insurance Brokers Philippines, Inc. and St. Theodore of Tarsus Hospital in Sagada, Inc.; Independent Director, China Bank Savings, Inc., Planter's Development Bank, SEAOIL Philippines, Inc., CBC Capital Corporation, Inc. and China Bank Securities Corporation; Independent Trustee, Roosevelt College, Inc.

He is also an Independent Director of China Banking Corporation, a listed corporation.

Mr. Kuan graduated from the University of the Philippines (1970) with a degree of Bachelor of Science in Business Administration. In 1975, he earned his Masters in Business Management from the Asian Institute of Management (AIM). In 1993, he took up the Top Management Program at AIM, a program exclusively for company Presidents and Chief Executive Officers. He was a TOFIL (The Outstanding Filipino) Awardee in 2003 in the field of Business & Entrepreneurship; Agora Awardee for Entrepreneurship and Triple-A Awardee of AIM; Outstanding Alumnus Awardee in the field of Business given by the Alumni Association of the University of the Philippines (UP) and Distinguished Alumnus Awardee given by the College of Business Administration of the University of the Philippines (UP).

9. Edilberto C. De Jesus, 76, Filipino: Independent Trustee, Far Eastern University, Inc. (August 2012 to present)

Other Corporate Affiliations: Member, Board of Directors, Cagayan de Oro College and Phinma Corp.; Member, Board of Trustees, Philippine Normal University and Foundation for Liberty and Prosperity; Member, Makati Business Club and of the Advisory Board of Philippine Business for Education; Fellow, Institute of Corporate Directors; Professor Emeritus, Asian Institute of Management and Independent Trustee, Nicanor Reyes Educational Foundation, Inc. and Roosevelt College, Inc.

He obtained a BA Honors Degree in the Humanities, *cum laude* at the Ateneo de Manila University in 1962, and received his M. Phil. (1969) and Ph.D. degrees (1972) from Yale University. He served as president of: Far Eastern University (1995-2002); University of the Cordilleras (2008-2009); Asian Institute of Management (2009-2012); and Secretariat Director, Southeast Asia Ministers of Education Organization in Bangkok (2005-2007). He also served in the Cabinet of President Corazon Aquino as Deputy Peace Commissioner and Presidential Adviser on Rural Development (1987-1992) and as Secretary of Education in the Cabinet of President Gloria Arroyo (2002-2004).

10. Maria Teresa Trinidad P. Tinio, 53, Filipino: Senior Vice President for Academic Affairs, Far Eastern University, Inc. (June 2011 to present)

PhD Southeast Asian Literature, National University of Singapore; Master of English, major in Literature and Cultural Studies, Ateneo de Manila University with academic units from the New School for Social Research, New York City; AB Humanities, Ateneo de Manila University.

Research focus in Philippine Literature, Sociolinguistics, and the Politics of Language in Southeast Asia. Publications include contributions to the *CCP Encyclopaedia of the Arts*, the *Loyola Schools Review*, *Philippine Studies*, and *The Politics of English in Asia: Language Policy and Cultural Expression in South and Southeast Asia and the Asia Pacific* published by John Benjamins (The Netherlands).

11. Juan Miguel R. Montinola, 57, Filipino: Chief Finance Officer, Far Eastern University, Inc. (September 2010 to present)

Other Corporate Affiliations: Chair, FEU Health, Welfare and Retirement Fund Plan and Foundation for Information Technology Education and Development, Inc.; President, Amon Trading Corporation; Board Member of FERN Realty Corporation, East Asia Computer Center, Inc., Far Eastern College Silang, Inc., East Asia Educational Foundation, Inc., FEU Educational Foundation, Inc., Nicanor Reyes Memorial Foundation, Nicanor Reyes Educational Foundation, Inc., FEU Alabang, Inc, FEU High School, Inc., Urban Program for Livelihood Finance and Training and Roosevelt College, Inc. Member of the Executive Committees of many of the organizations he serves as Director.

Mr. Montinola was Chief Executive Officer and Country Manager of Lafarge Cementi SA, Italy, from 2006 to 2008, and President and CEO of Republic Cement Corporation from 1996 to 2006. During this period he served concurrently as Senior Vice President for Commercial Business from 2002 to 2006, and SVP for Procurement from 2001 to 2002, of Lafarge Cement Services, Inc.

Prior to 1996, Mr. Montinola held various positions in Republic Cement Corporation and served as a member of the Board of Directors in different organizations.

Mr. Montinola has an MBA from International Institute of Management Development, Switzerland, and an AB Economics degree from College of William & Mary, Virginia, USA.

12. Myrna P. Quinto, 56, Filipino: Vice President for Academic Development, Far Eastern University, Inc. (April 2014 to present)

Other Corporate Affiliations: She is a member of the Biology Teachers Association (BIOTA), Philippine Society of Microbiology (PSM), and the Association of Systematic Biologists of the Philippines (ASBP).

Among her relevant trainings abroad are the *Educational Leadership Training* in NTU, Singapore, the *ASEAN University Network (AUN) Quality Assurance Training* in Thailand, and the month-long *CHED Training Program on the Internationalization of Philippine Higher Education* held in Canada, in partnership with the Canadian Bureau of International Education.

Dr. Myrna P. Quinto is a B.S. Biology graduate from the College of the Holy Spirit. She finished her Master of Arts in Education major in Biology at the University of the Philippines and her Doctor of Philosophy in Science Education major in Biology at De La Salle University, Manila, Philippines.

13. Gianna R. Montinola, 60, Filipino: Vice President Corporate Affairs, Far Eastern University, Inc. (November 2013 to present)

Concurrently Director and Corporate Secretary of FERN Realty Corporation, East Asia Computer Center, Inc. and Amon Trading Corporation; Trustee and Corporate Secretary, East Asia Educational Foundation, Inc.; Director of Far Eastern College Silang, Inc., and Robinsons True Serve Hardware Phils, Inc. Trustee and Secretary, Foundation for Information Technology Education and Development, Inc. Co-founder of non-profit organizations Hands On Manila Foundation, Inc. and Peace Tech, Inc. Associate lawyer of the Quisumbing Torres Law Office (an affiliate of the Baker & McKenzie Law Office, U.S.A.) from 1986 to 1992. Philippine Honorary Consul to the Republic of Peru from 1992 to 1996, Marketing and Business Development manager of Rockwell Land Corporation from 1996 to 1998.

She earned a Bachelor of Arts degree in International Relations from Mount Holyoke College, U.S.A. and a Bachelor of Laws (Ll.B.) degree, with honors, from the Ateneo de Manila College of Law. She obtained a Masters degree in Public Administration from the John F. Kennedy School of Government at Harvard University, U.S.A.

14. Renato L. Serapio, 60, Filipino: Vice President for Human Resource Development, Far Eastern University, Inc. (October 2015 to present)

Other Corporate Affiliations: Accredited Fellow in People Management by the Society of Fellows in People Management of the People Management Association of the Philippines, and a Certified Executive Coach from AIMS International. He is also a certified assessor of Harrison Profiles and a certified facilitator of Steven Covey's 7 Habits of Highly Effective People.

Past affiliations: Board Member of the Society of Fellows in People Management, 2012 to 2014; President, Puso ng Siemens Foundation, 2001 to 2008; Vice President, Philippine Society of Fellows in Personnel Management, 2004 to 2006; Director, Philippine Society for Training and Development, April - December 2001; Chairperson – Regional HR Council, Siemens Asia Pacific, 2001 - 2002; Chairman, Research Committee, Personnel Management Association of the Philippines, January- December 1994.

Mr. Serapio received his Bachelor of Science in Industrial Management Engineering with a minor in Mechanical Engineering from De La Salle University in 1978 and completed the Advance Management Development, Siemens Management Learning/The Fuqua School of Business - Duke University, North Carolina August 2000 to May 2001. He also received his Certificate of Professional Designation in Systems Analysis from the UCLA Extension School, University of California Los Angeles in 1987.

15. Santiago L. Garcia, Jr. , 62, Filipino: Corporate Secretary and Vice-President for Compliance, Far Eastern University, Inc. (February 2017 to present)

Other Corporate Affiliations: Corporate Secretary of East Asia Computer Center, Inc. (doing business under the trade names FEU Institute of Technology, and FEU Diliman), East Asia Educational Foundation, Inc., FEU Alabang, Inc., FEU High School, Inc., Nicanor Reyes Educational Foundation, Inc. (also known as FEU-FERN College), and UP Law 80 Foundation, Inc. He is also a member of the Board of Trustees of UP Law 80 Foundation, Inc.

He graduated with an AB Political Science degree at San Beda College [now San Beda University] (Mendiola, Manila) in 1976, and received his Bachelor of Laws degree from the College of Law of the University of the Philippines (Diliman, Quezon City) in 1980. He passed the Bar Examinations given by the Supreme Court of the Philippines in November 1980.

16. Edward R. Kilakiga, 43, Filipino: Vice President, Facilities and Technical Services (July 2017 - Present), Far Eastern University, Inc.

Other affiliations: President, Philippine Society of Mechanical Engineers, Quezon City Chapter (PSME QCC) - Jan. 2017 to Present; Auditor, Institute of Integrated Electrical Engineers (IIEE), Metro Manila Region, Metro West Chapter - Jan 2018 to Present; Mission Director, Brotherhood of Christian Businessmen and Professionals, Manila Chapter - Dec. 2017 to Present; Member, Institute of Hotel Engineers Association of the Philippines (IHEAP); Secretary, Institute of Hotel Engineers Association of the Philippines (2015).

He graduated with a degree of BS Mechanical Engineering in 2009, BS Electrical Engineering in 1999 and Electrical Technology, in 1994 at Rizal Technological University. He is a Professional Electrical Engineer, a Professional Mechanical Engineer, a Registered Master Plumber and a Registered Master Electrician.

He received a Lorezono Ruiz Award for National Discipline in 1991 by AY Foundation Inc, Guadalupe Catholic School, Makati City.

17. Rosanna Esguerra-Salcedo, 54, Filipino: Treasurer, Far Eastern University, Inc. (September 2014 to present)

Other Corporate Affiliations: Treasurer of FEU Alabang, Inc., Vice President for Finance of Roosevelt College, Inc. and a Member of the Credit Management Association of the Philippines.

Before joining FEU, she worked at the Bayan Telecommunications, Inc., were she managed numerous departments: initially as Head of General Accounting and Accounts Payable, then, Budget Department and Revenue Accounting, and as Head of Billing and Collection. She also served as the Head of Treasury and Internal Audit of Mariwasa Manufacturing, Inc. for five years.

Prior to joining the private sector, she worked for SGV & Co. both as an External Senior Auditor and Tax Senior Auditor.

Ms. Salcedo is a Certified Public Accountant. She obtained her BSBA Major in Accounting, *cum laude*, from the University of the East. She also completed her Management Leadership Program at the Asian Institute of Management.

18. Glenn Z. Nagal, 60, Filipino: Comptroller, Far Eastern University, Inc. (1996 to present)

Other Corporate Affiliation: Director and Treasurer, FEU High School, Inc.

Work experience: External Auditor, Carlos J. Valdes and Company; Examiner, Central Bank of the Philippines; Internal Audit Manager, Far Eastern University; Chief Accountant and Budget Director, Far Eastern University; Compliance Officer, Far Eastern University; and Accounting Professor, Far Eastern University.

A Certified Public Accountant by profession, Mr. Nagal graduated with the degree of Bachelor of Science in Commerce, major in Accounting from Far Eastern University.

19. Rogelio C. Ormilon, Jr., 52, Filipino: Chief Audit Executive and Risk Management Officer (September 2015 to present), Far Eastern University, Inc.

Work experience: Audit Director at R.G. Manabat & Co./KPMG Philippines; Audit Senior Manager at Isla Lipana & Co./PwC Philippines; Audit Senior Manager at Ernst & Young Ltd. Auckland, New Zealand; and Compliance Officer, Far Eastern University (September 2015 to January 2017).

He graduated with the degree of B.S. Business Administration, Major in Accounting from Philippine School of Business Administration, Quezon City Campus in 1987 and obtained his Master in Management at the Asian Institute of Management in 2004. He is also a Certified Public Accountant.

The term of office of a Trustee is one (1) year or until his/her successor is elected and qualified. The members of the Board of Trustees of the Corporation are elected at the Annual Stockholders' Meeting to hold office until the next succeeding annual meeting, or up to the time their respective successors shall have been elected and qualified.

The officers are appointed or elected annually by the Board of Trustees at its organizational meeting, each to hold office until the next meeting of the Board the following year or until a successor shall have been elected, appointed and qualified.

Significant Employees

The corporation considers its entire work force as significant employees. Everyone is expected to work together as a team to achieve the corporation's goals and objectives.

Family Relationships

Dr. Lourdes R. Montinola, Chair Emeritus is the mother of Mr. Aurelio R. Montinola III, Chairman, Mr. Antonio R. Montinola, Trustee, Mr. Juan Miguel R. Montinola, Chief Finance Officer and Atty. Gianna R. Montinola, Vice President for Corporate Affairs.

Training and/or Continuing Education Programs of Trustees

The continuing education programs for directors: programs and seminars and roundtables attended during the year are as follows:

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Sherisa P. Nuesa	August 11, 2017	Corporate Governance and Risk Management Summit	Institute of Corporate Directors (ICD)
Lourdes R. Montinola	March 29, 2016	Corporate Governance Seminar	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Aurelio R. Montinola III	August 21, 2017	Corporate Governance and Risk Management Summit	Institute of Corporate Directors (ICD)
Angelina P. Jose	March 29, 2016	Corporate Governance Seminar	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Rosanna E. Salcedo	March 29, 2016	Corporate Governance Seminar	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Edilberto C. de Jesus	May 10, 2017	Distinguished Corporate Governance Speaker Series	Institute of Corporate Directors (ICD)
Juan Miguel R. Montinola	June 10, 2016	Corporate Governance Seminar	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Maria Teresa Trinidad P. Tinio	June 10, 2016	Corporate Governance Seminar	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Myrna P. Quinto	June 10, 2016	Corporate Governance Seminar	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Rogelio C. Ormilon, Jr.	June 10, 2016	Corporate Governance Seminar	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Renato L. Serapio	June 10, 2016	Corporate Governance Seminar	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Michael M. Alba	August 3, 2016	Corporate Governance Seminar	Securities and Exchange Commission

Name of Director/Officer	Date of Training	Program	Name of Training Institution
Gianna R. Montinola	August 3, 2016	Corporate Governance Seminar	Securities and Exchange Commission
Paulino Y. Tan	September 9, 2016	Corporate Governance Seminar	Risks, Opportunities, Assessment and Management (ROAM), Inc.
Robert F. Kuan	2017	Corporate Governance Seminar	Institute of Corporate Directors (ICD)
Antonio R. Montinola	November 18, 2016	Corporate Governance Seminar	Risks, Opportunities, Assessment and Management (ROAM), Inc.

Number of Meetings and Attendance of the Board of Trustees

Below is the table of attendance of the members of the Board of Trustees in their regular/organizational meetings for the period June 1, 2017 to May 31, 2018 are as follows:

Members of the Board of Trustees	Regular Meetings													
	6/27	7/18	8/15	9/19	10/17	10/21*	10/21**	11/21	12/7	1/16	2/20	3/20	4/17	5/15
Lourdes R. Montinola	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Aurelio R. Montinola III	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Michael M. Alba	/	/	/	/	/	/	/	/	/	/	/	/	/	/
Angelina P. Jose	x	x	/	/	/	/	/	/	/	/	/	/	/	/
Antonio R. Montinola	/	/	/	/	/	x	x	/	/	/	/	x	/	/
Paulino Y. Tan	/	/	/	/	x	/	/	/	/	/	/	/	/	/
Sherisa P. Nuesa	/	/	/	/	/	/	/	/	/	/	/	/	/	x
Robert F. Kuan	x	/	x	/	x	/	/	/	/	x	/	/	/	/
Edilberto C. de Jesus	/	/	/	/	/	/	/	/	/	/	/	x	/	/

Item 10. Executive Compensation

Name	Principal Position	01 June 2016 to 31 May 2017	01 June 2017 to 31 May 2018	01 June 2018 to 31 May 2019
Aurelio R. Montinola III	Chair, Board of Trustees/ Chief Executive Officer (CEO)			
Michael M. Alba	Trustee/President			
Angelina P. Jose	Trustee/Corporate Secretary[4]			
Juan Miguel R. Montinola	Chief Finance Officer (CFO)			
Maria Teresa Trinidad P. Tinio	SVP – Academic Affairs			
Gianna R. Montinola	VP – Corporate Affairs			
Santiago L. Garcia, Jr.[1]	Corporate Secretary / Compliance Officer			
Myrna P. Quinto	VP – Academic Development			
Renato L. Serapio	VP – Human Resource Development			
Edward R. Kilakiga[2]	VP – Facilities and Technical Services			
Rosanna E. Salcedo	Treasurer			
Glenn Z. Nagal	Comptroller			
Rogelio C. Ormilon, Jr.	Internal Auditor and Risk Management Officer			
Francisco E. Lecaroz, Jr.[5]	Chief Information Officer (CIO)			
Joeven R. Castro[3]	AVP – Academic Services			
		₱51,324,063.73	₱59,268,947.05	₱57,251,200.12

Note:

[1]Effective February 2017
[2]Effective March 2017
[3]Effective June 2017
[4]Up to October 2017
[5]Up to April 2018

The compensation above presented are actual for the last two (2) completed fiscal years and the estimate for the ensuing fiscal year ending May 31, 2019. Aggregate amount is ₱ 167,844,210.90
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Compensation of Directors

A. Standard Arrangement

The members of the Board of Trustees of the corporation are receiving gas allowances for regular board/special board meetings attended. They are also entitled to bonuses at the end of the fiscal year at the discretion of the Board, while the officers of the corporation are entitled to basic salaries, fringe benefits, and also bonuses at the discretion of the Board.

B. Other Arrangement

There are no other material terms or conditions of employment for contractual executive officers.

Voting Trust Holders

The Registrant is not a party to any voting trust agreement. No security holder of the Registrant holds a voting trust or other similar agreements.

No information is available on all outstanding warrants or options held by the members of the Board of Trustees and officers of the corporation.

Summary Compensation Table I

Summary and Principal Position	Year	Salary	Bonus	Other Annual Compensation
Aurelio R. Montinola III Chairman, Board of Trustees / Chief Executive Officer	- x -	- x -	- x -	- x -
Michael M. Alba Trustee / President	- x -	- x -	- x -	- x -
Angelina P. Jose Trustee / Corporate Secretary[4]	- x -	- x -	- x -	- x -
Juan Miguel R. Montinola Chief Finance Officer	- x -	- x -	- x -	- x -
Maria Teresa Trinidad P. Tinio SVP - Academic Affairs	- x -	- x -	- x -	- x -
Gianna R. Montinola VP - Corporate Affairs	- x -	- x -	- x -	- x -
Santiago L. Garcia, Jr.[1] Corporate Secretary / Compliance Officer	- x -	- x -	- x -	- x -
Myrna P. Quinto VP - Academic Development	- x -	- x -	- x -	- x -
Renato L. Serapio VP - Human Resource Development	- x -	- x -	- x -	- x -
Edward R. Kilakiga[2] VP - Facilities and Technical Services	- x -	- x -	- x -	- x -
Rosanna E. Salcedo Treasurer	- x -	- x -	- x -	- x -
Glenn Z. Nagal Comptroller	- x -	- x -	- x -	- x -
Rogelio C. Ormilon, Jr. Internal Auditor / Risk Management Officer	- x -	- x -	- x -	- x -
Francisco E. Lecaroz, Jr.[5] Chief Information Officer	- x -	- x -	- x -	- x -
Joeven R. Castro[3] AVP-Academic Services	- x -	- x -	- x -	- x -
Grand Total	2016-2017	₱38,931,575.95	₱12,392,487.78	- x -
	2017-2018	45,458,206.98	13,810,740.07	- x -
	2018-2019 (Estimated)	45,085,974.89	12,165,225.23	- x -

Note:

[1]Effective February 2017
[2]Effective March 2017
[3]Effective June 2017
[4]Up to October 2017
[5]Up to April 2018

Summary Compensation Table II

Summary and Principal Position	Year	Salary	Bonus	Other Annual Compensation
Aurelio R. Montinola III Chairman, Board of Trustees / CEO	- x -	- x -	- x -	- x -
Michael M. Alba Trustee / President	- x -	- x -	- x -	- x -
Juan Miguel R. Montinola Chief Finance Officer	- x -	- x -	- x -	- x -
Glenn Z. Nagal Comptroller	- x -	- x -	- x -	- x -
Maria Teresa Trinidad P. Tinio Senior VP - Academic Affairs	- x -	- x -	- x -	- x -
Total	2016-2017	₱23,229,564.44	₱ 7,530,123.38	- x -
	2017-2018	23,936,913.34	8,430,954.39	
	2018-2019 (Estimated)	24,655,020.74	8,593,883.02	- x -

Summary and Principal Position	Year	Salary	Bonus	Other Annual Compensation
All Officers and Trustees as a Group	2016-2017	₱ 38,931,575.95	₱ 21,392,487.78	- x -
	2017-2018	45,458,206.98	22,810,740.07	- x -
	2018-2019 (Estimated)	45,085,974.89	22,665,225.23	- x -

Item 11. Security Ownership of Certain Beneficial Owners and Management

Beneficial Owners of More Than 5% and 10% Securities as of May 31, 2018

As of May 31, 2018, Far Eastern University does not have on record any person party or entity who beneficially owns more than 5% and 10% of common stock except as set forth in the table below:

Title of Class	Name, Address of Record Owner and Relationship with Issuer	Name of Beneficial Ownership and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent
Common	Seyrel Investment and Realty Corporation[1] 10th Fl., Pacific Star Bldg. Cor. Makati & Gil Puyat Ave. Makati City	Seyrel Investment and Realty Corporation	Filipino	4,717,162	28.63
Common	Sysmart Corporation[2] 426 MKSE, Ayala Avenue Makati City	Sysmart Corporation	Filipino	3,546,138	21.52
Common	Desrey, Incorporated[3] 10th Fl., Pacific Star Bldg. Cor. Makati & Gil Puyat Ave. Makati City	Desrey, Inc.	Filipino	1,318,464	08.00

All of the above are direct beneficial owners of the securities.

[1]Dr. Lourdes, R. Montinola as President is authorized to vote for the shares of the Corporation.

[2]Ibid

[3]Mr. Henry Sy Sr. as Chair of the Board will vote for the shares of the Corporation.

Security Ownership of Management

Title of Class	Name of Beneficial Owner	Number of Shares and and Nature of Beneficial Ownership	Citizenship	Percent Of Class
Common	Lourdes R. Montinola Chair Emeritus	7,962 – D	Filipino	0.04832
Common	Mr. Aurelio R. Montinola III Chairman, Board of Trustees	313,812 – D 3,800 – I	Filipino	1.90454 0.02306
Common	Dr. Michael M. Alba Trustee/President	1 – I	Filipino	0.00001
Common	Angelina Palanca Jose Trustee	531,873 – D 1,050 – I	Filipino	3.22797 0.00637
Common	Paulino Y. Tan Trustee	1 – I	Filipino	0.00001
Common	Antonio R. Montinola Trustee	72,412 – D 5,000 – I	Filipino	0.43947 0.03034
Common	Sherisa P. Nuesa Independent Trustee	1,521 – D 180 – I	Filipino	0.00923 0.00109
Common	Edilberto C. De Jesus Independent Trustee	227 – D	Filipino	0.00138
Common	Robert F. Kuan Independent Trustee	1 – I	Filipino	0.00001
Common	Juan Miguel R. Montinola Chief Finance Officer	75,144 – D 3,900 – I	Filipino	0.45605 0.02367
Common	Rosanna E. Salcedo Treasurer	1 – I	Filipino	0.00001
Common	Glenn Z. Nagal Comptroller	678 – D	Filipino	0.00411
Common	Gianna R. Montinola Vice President for Corporate Affairs	72,626 – D 5,010 – I	Filipino	0.44077 0.03041

Security of Ownership of Management as a Group

Total Shares	-	1,095,199
Percentage	-	6.64683%

Item 12. Related Party Transactions

The Group's related parties include related parties under common management, key management personnel and others as described in Note 2.20. The following are the Group's transactions with such related parties:

		2018		2017		2016			
	Note	**Amount of Transaction (One Year)**	**Outstanding Receivable (Payable)**	Amount of Transaction One Year)	Outstanding Receivable (Payable)	Amount of Transaction (Two Months)	Outstanding Receivable (Payable)	Terms	Conditions
Related Parties Under Common Management:									
Subscription of preferred stocks	A	**P -**	**P -**	P 416,500,000	P -	P -	P -	nonredeemable; non-controlling	not applicable
Advances to related parties	B	**16,756,062**	**48,069,715**	6,832,457	31,313,653	(3,012,589)	24,481,196	due and demandable; noninterest-bearing	unsecured; not impaired
Reimbursement of expenses	I	**(4,302,990)**	**4,892,015**	1,300,891	9,195,005	952,450	7,894,114	due and demandable;	unsecured; not impaired
Rental income	D	**20,823,538**	**11,358,633**	21,817,203	10,302,738	6,668,707	21,117,891	payable within 30 days; noninterest-bearing	unsecured; not impaired
Advances from related party	B	**(2,019,088)**	**(6,343,848)**	7,558,327	(4,324,760)	(43,633)	(11,883,087)	due and demandable; noninterest-bearing	unsecured; not impaired
Rental deposits	D	**-**	**-**	-	-	3,783,819	(4,008,683)	not applicable	not applicable
Management fees	C	**-**	**-**	-	-	-	7,996,500	payable within 30 days; noninterest-bearing	unsecured; not impaired
Others	J	**110,014**	**(1,452,500)**	(95,264)	(1,562,514)	-	(1,467,250)	due and demandable; noninterest-bearing	unsecured; impaired
Retirement Funds:	E								
Retirement plan assets		**P -**	**P 756,979,018**	P -	P 632,111,250	P -	P617,372,417	not applicable	not applicable
Reimbursement of fund		**-**	**-**	-	995,779	-	29,425,493	due and demandable; noninterest-bearing	unsecured; not-impaired
Others –									
Key management personnel compensation	F	**235,796,087**	**-**	213,277,760	-	25,239,938	-	not applicable	not applicable
Advances from previous BOT of RCI	G	**-**	**-**	16,508,793	-	3,008,793	(16,508,793)	due and demandable; interest-bearing	unsecured; not impaired

A. Subscription of Preferred Shares of Stock of EACCI

In 2015, EAEF, a related party under common management, entered into a subscription agreement for the purchase of 240,000 preferred shares of EACCI. The total consideration paid by EAEF amounted to P240.0 million. There was no outstanding receivable arising from the transaction as the amount was fully paid by EAEF in the year of subscription.

During the year ended May 31, 2017, EAEF also entered into a subscription agreement for the purchase of 416,500 preferred shares of FEUAI [see Note 25.4(b)]. The total consideration paid by EAEF amounted to P416.5 million. There was no outstanding receivable arising from the transaction as the amount was fully paid by EAEF in the year of subscription. No similar transaction occurred during the period ended May 31, 2016.

B. Noninterest-bearing Advances

Advances of the University to a Related Party

The University grants unsecured and noninterest-bearing advances, which are due and demandable to FEU Public Policy Foundation, Inc., related party under common management of the Group for working capital purposes.

Summarized below are the outstanding receivables from these advances as of May 31, 2018, 2017 and 2016 recorded as part of Non-trade advances from related parties under Trade and Other Receivables account in the consolidated statements of financial position:

	2018	2017	2016
Balance at beginning of year	**P 1,636,729**	P 1,199,289	P 1,199,289
Additional advances during the year	**3,146,663**	437,440	-
Repayments during the year	**(1,199,290)**	-	-
Balance at end of year	**3,584,102**	1,636,729	1,199,289

As of May 31, 2018, 2017 and 2016, management believes that these outstanding balances are collectible in full in all the years presented; thus, no allowance for impairment on these receivables are recognized.

Advances between EACCI and EAEF

During the periods ended May 31, 2018, 2017 and 2016, EACCI granted to and obtained from EAEF cash advances for working capital requirements and other purposes. These advances are non interest-bearing, unsecured and payable in cash upon demand. As of May 31, 2018, 2017 and 2016, outstanding advances to EAEF amounting to P42.5 million, P26.6 million and P20.7 million, respectively, are presented as part of Non-trade advances to related parties under the Trade and Other Receivables account, while the outstanding advances from EAEF amounting to P6.3 million, P4.3 million and P11.9 million, respectively, are presented as Advances from related parties under the Trade and Other Payables account in the consolidated statements of financial position. No impairment loss is recognized by the Group on these advances.

Advances of RCI to its Related Party

RCI grants noninterest-bearing and unsecured advances to Roosevelt College Center for Teacher Education, a related party under common management, for working capital purposes. These advances are generally collectible in cash and are due upon demand or through offsetting arrangement. The outstanding balance from these transactions which amounts to P2.0 million, P3.0 million and P2.7 million as of May 31, 2018, 2017 and 2016, respectively, are presented as part of Non-trade advances to related parties under the Trade and Other Receivables account in the consolidated statements of financial position.

C. Management Services

The University provided management services to EAEF and FERN College, which agreed to pay management fee computed at a certain percentage of the latter's gross revenue subject to certain conditions. Management fees earned amounted to P20.4 million for the period ended March 31, 2016 and is presented as Management Fees under Revenues in the consolidated statements of profit or loss. No similar income was earned for the periods ended May 31, 2017 and 2016 as EACCI already took over the operations of EAEF during the said periods.

Outstanding receivables arising from this transaction amounted to P8.0 million and as of May 31, 2016 (nil as of May 31, 2017) and are presented as part of Management fee receivable under Trade and Other Receivables account in the consolidated statements of financial position. No impairment loss is recognized by the University on these receivables.

D. Leases

Lease of Buildings to EAEF

The University leased out certain buildings to EAEF for a period of one to five years until May 31, 2015. Upon expiration of the term of the contract, the University and EAEF had mutually agreed not to renew such lease agreement. Instead, as of May 31, 2018, 2017 and 2016, only certain floors of the buildings were leased out to EAEF.

Total rental income earned by the University and EACCI from EAEF, presented as part of Rental under Revenues in the consolidated statements of profit or loss, amounted to P2.8 million and P6.7 million for the periods ended May 31, 2017 and 2016, respectively. Outstanding receivable arising from the transaction amounted to P2.9 million, P3.3 million and P17.0 million as of May 31, 2018, 2017 and 2016, respectively, and is presented as Rental receivable under Trade and Other Receivables account in the consolidated statement of financial position. There was no similar transaction in 2018 as EAEF has already transferred its students to EACCI through a memorandum of agreement in 2017.

Meanwhile, since the construction of the school building of EACCI was fully completed as of March 31, 2015, EAEF and EACCI entered into a contract to lease certain floors of EACCI's newly-constructed school building. The lease commenced on July 1, 2014 for a period of five years with 5% annual escalation.

However, in May 2016, the lease agreement was pre-terminated. Accordingly, EACCI reversed the related accrued rent receivable arising from straight line recognition of lease amounting to P7.0 million and is recorded as part of General expenses under costs and Operating Expenses in the 2016 consolidated statement of profit or loss.

Lease of Buildings to FERN College

FRC leased out certain buildings to FERN College effective from June 1, 2007 to May 31, 2017 for an annual rental of P14.0 million or 10% of gross annual revenue, whichever is higher. In January 2013, an amended lease agreement was executed by both parties which stated that the lease term shall now be from January 31, 2013 to December 31, 2023 for an annual rental fee of P12.0 million or 10% of FERN College’s annual gross income, whichever is higher.

Total rental income of FRC from FERN College amounted to P19.4 million and P18.0 million for the years ended May 31, 2018 and 2017, which is recorded as part of Rental under Revenues in the consolidated statements of profit or loss. No similar income was earned during the two months ended May 31, 2016. Outstanding receivables from this transaction amount to P8.4 million, P7.0 million and P4.1 million as of May 31, 2018, 2017 and 2016, respectively, are presented as part of Rental receivable under the Trade and Other Receivables account in the consolidated statements of financial position. No impairment loss is recognized by the Group on this receivable from FERN College.

Lease of Transportation Vehicle to FERN College

In 2012, FRC entered into a contract with FERN College for the lease of a bus to the latter for a fixed monthly rental of P0.1 million covering a term of five years.

The rental income earned from this transaction amounted to P1.4 million and P1.5 million for the years ended May 31, 2018 and 2017 and is presented as part of Rental under Revenues in the consolidated statements of profit or loss. No similar income was earned during the two months ended May 31, 2016. The Group recognized unearned rental income in accordance with PAS 17 from FERN College amounting to P0.1 million and P0.9 million as of May 31, 2017 and 2016 (nil in 2018), respectively, and are presented as part of the Deferred Revenues account in the consolidated statements of financial position.

Rental Deposits

Outstanding rental deposits arose from the lease of building by EACCI to EAEF, which amounted to P4.0 million as of May 31, 2016. These deposits are presented as part of Other Non-Current Liabilities account in the consolidated statements of financial position.

E. Retirement Funds

The University's, FECSI's and EACCI's retirement funds are in the form of trustee-banks managed accounts. The fair value of the University's retirement plan assets amounted to P757.0 million, P632.1 million and P617.4 million as of May 31, 2018, 2017 and 2016, respectively. The University, FECSI and EACCI have no transactions with the retirement plans other than contributions and benefit payments in all periods presented.

During the periods ended May 31, 2017 and 2016, the University funded the retirement pay of certain employees who availed of the ERGP, which will be reimbursed by the Fund. The outstanding receivable from this transaction amounted to P1.0 million and P29.4 million as of May 31, 2017 and 2016, respectively, and is recorded as part of Non-trade advances from related parties under Trade and Other Receivables account in the consolidated statements of financial position. No similar transaction occurred for the year ended May 31, 2018.

None of the retirement plan assets are invested in or provided to the University or FECSI, their related parties, and to their officers in the form of advances or loans.

The retirement funds neither provide any guarantee nor surety for any obligation of the University and FECSI.

F. Key Management Personnel Compensation

Total remunerations of the Group's key management personnel for the periods ended May 31, 2018, 2017 and 2016, which are presented as part of Instructional and academic and Administrative expenses under Costs and Operating Expenses in the consolidated statement of profit or loss, are as follows:

	2018 (One Year)	2017 (One Year)	2016 (Two Months)
Short-term benefits	**P 208,947,101**	P 188,323,195	P 21,511,998
Post-employment benefits	**26,848,986**	24,954,565	3,727,940
	P 235,796,087	P 213,277,760	P 25,239,938

G. Advances from RCI's BOT

RCI obtains unsecured, interest-bearing cash advances from the current members of its BOT, with an interest rate ranging from 8% to 12% per annum, for working capital purposes. These advances are generally collectible in cash and are due upon demand. The outstanding balance from this transaction amounted to P16.5 million as of May 31, 2016, and is presented as part of Other payables under the Trade and Other Payables account in the consolidated statement of financial position. The outstanding payable was settled in 2017.

H. Financial Guaranty for Subsidiaries' Loans

In March 2017, the BOT approved that for and in consideration of the loan or credit facilities obtained by any subsidiary of the University, in which the University owns at least 75% of the outstanding voting capital stock of such subsidiary, from a local commercial bank, the University gives its full consent and authority to act as surety for the subsidiary's obligations arising from any loan or availments from any credit facilities granted by the said local bank in favor of the subsidiary, as well as any renewals, increases, extensions of existing obligations obtained by or which may hereafter be obtained by the subsidiary from the local bank, whether direct or indirect, principal or secondary. In April 2018, RCI availed an unsecured term loan as a drawdown from the University's credit facility with the local bank.

I. Reimbursement of Expenses

During the periods ended May 31, 2017 and 2016 (nil in 2018), the University billed EAEF for related services such as security and janitorial services, light and water and other utilities at cost. Accordingly, the outstanding receivable amounting to P4.9 million, P9.2 million and P7.9 million as of May 31, 2018, 2017 and 2016, respectively, is presented as part of Non-trade advances to related parties under the Trade and Other Receivables account in the consolidated statements of financial position.

J. Others

Others include amounts due to non-controlling interest for to the unclaimed payments arising from the fractional shares, treated as treasury stocks in 2007 and 2015 by FRC. Outstanding payable to non-controlling interest amounted to P1.5 million as of May 31, 2018, 2017 and 2016, and is presented as part of Other payables to related parties under the Trade and Other Payables account in the consolidated statements of financial position.

PART V – EXHIBITS AND SCHEDULES

Item 13. Exhibits and Reports on SEC Form 17-C

(a) Exhibit

The exhibits are not applicable to the company nor require any answer.

(b) Report on SEC Form 17-C

1. Executive Committee meeting on 06 July 2017:

   Promotion of Engr. Edward R. Kilakiga from Assistant Vice President to Vice President for Facilities and Technical Services effective 15 July 2017.

   Report received on 07 July 2017.

2. On 11 July 2017

   Acquisition by FERN Realty Corporation of 100 FEU shares and lodged them with PCD Nominee Corporation (Filipino).

   Report received on 13 July 2017.

3. On 12 July 2017

   Acquisition by FERN Realty Corporation of 32 FEU shares and lodged them with PCD Nominee Corporation (Filipino).

   Report received on 13 July 2017.

4. Board of Trustees' Meeting held on 15 August 2017:

   Appropriations of retained earnings of Far Eastern University as of 31 May 2017 be adjusted to Two Billion Eight Hundred Forty Three Million Seven Hundred Thirty Three Thousand One Hundred Pesos (₱2,843,733,100.00) as follows:

Reserved for Property Acquisition and Investment	₱	2,000,000,000.00
Reserved for Expansion and Improvement of Facilities		324,800,000.00
Reserved for Purchase of Equipment and Furniture		135,200,000.00
Reserved for General Retirement		140,000,000.00
Reserved for Contingencies		240,000,000.00
Reserved for Treasury Shares		3,733,100.00
Total	₱	2,843,733,100.00

   Report received on 16 August 2017.

5. On 13 September 2017

   Acquisition by FERN Realty Corporation of 5,000 FEU shares and lodged them with PCD Nominee Corporation (Filipino).

   Report received on 14 September 2017.

6. Board of Trustees' meeting held on 19 September 2017:

   Declaration of ₱8.00/share cash dividend on record as of 04 October 2017, payable on 18 October 2017.

   Report received on 20 September 2017.

7. Annual Stockholders' meeting held on 21 October 2017:

   a. Minutes of the Annual Meeting held on 27 August 2016;

   b.. Academic Report of the President for the academic year 2016-2017;

   c. Annual Report covering the operations for the fiscal year 2016-2017;

   d. Approval, ratification and confirmation of the acts and resolutions of the Board of Trustees, Board Management Committees, and Management and other officers of Far Eastern University taken or adopted since the Annual Meeting of Stockholders last 27 August 2016 until 21 October 2017;

   e. Election of members of the Board of Trustees including independent trustees for the fiscal year 2017-2018;

   f. Re-Appointment of Punongbayan and Araullo as External Auditor for the fiscal year 2016-2017; and

   Report received on 24 October 2017.

8. Organizational Meeting of the Board of Trustees held on 21 October 2017:

   a. Election of Corporate and University Officials for the term year 2017-2018:

   b. Composition of the Executive Committee;

   c. Composition of the Audit Committee;

   d. Composition of the Corporate Governance Committee;

   e. Composition of the Nomination Committee;

   f. Composition of the Risk Management Committee; and

   g. Composition of the Talent Management Committee

   Report received on 24 October 2017.

9. On 30 January 2018:

   Acquisition by FERN Realty Corporation of 61 FEU shares and lodged them with PCD Nominee Corporation (Filipino).

   Report received on 31 January 2018.

10. On 15 February 2018:

    Acquisition by FERN Realty Corporation of 579 FEU shares and lodged them with PCD Nominee Corporation (Filipino).

    Report received on 19 February 2018.

11. Board of Trustees' Meeting held on 20 February 2018:

    Declaration of ₱8.00 per share cash dividend on record as of 06 March 2018 payable on 20 March 2018.

    Report received on 21 February 2018.

12. Board of Trustees' Meeting held on 17 April 2018:

    Resignation of Mr. Francisco Enriquez Lecaroz, Jr., Chief Information Officer, effective 01 May 2018.

    Report received on 18 April 2018.

13. Board of Trustees' Meeting held on 15 May 2018:

    BDO UNIBANK, INC. (the Bank) offered the Corporation the renewal of its financial credit accommodation and increase its line to up to FOUR BILLION PESOS, Philippine currency (₱4,000,000,000.00) which will be utilized for the improvement of facilities of the FEU System of Schools;

    Authorization of the Board of Trustees of the Corporation on the acceptance of the Bank's offer for the purpose of financing the Corporation's Capital Expenditure requirements, strategic investments and general corporate funding requirements, under such terms and conditions which the Bank may prescribe;

Authorization for any two of the following Trustees/Officers of the Corporation to sign all papers and documents needed and necessary to carry into effect the aforesaid purpose or undertaking for the benefit and to the credit of the Corporation :

Aurelio R. Montinola III	Chairman
Michael M. Alba	President
Angelina P. Jose	Trustee
Juan Miguel R. Montinola	Chief Finance Officer
Rosanna E. Salcedo	Treasurer
Gianna R. Montinola	Vice President for Corporate Affairs

Report received on 16 May 2018.

(c) Quarterly Reports:

Ended August 31, 2017
Received October 13, 2017

Ended November 30, 2017
Received January 12, 2018

Ended February 28, 2018
Received April 13, 2018

Business and General Information

I. Industry Profile

The following are the dominant characteristics of the education industry:

- The business of higher education in the country is in the hands of the private sector.

- There is an uneven distribution of colleges and universities across the regions. This connotes a problem of unequal access to higher education. This is evidenced by the high concentration of state and private colleges and universities in the National Capital Region and Southern Tagalog Regions.

- Statistics show a high mismatch between education and occupation.

- The number of graduates in fields like commerce and business administration continues to increase even if unemployment among these graduates is on the rise.

- Far Eastern University's market is made up of the working class and the middle income group. FEU is situated in Manila, particularly in the area popularly known as the University Belt. It has a new campus in the heart of Makati. To be competitive, the university must continuously improve its products and at the same time maintain reasonable tuition fees.

II. Group of related services which contribute 10% or more to revenues

1. Institute of Arts and Sciences	31%
2. Institute of Accounts, Business and Finance	31%
3. Institute of Tourism and Hotel Management	17%
4. Institute of Architecture and Fine Arts	13%

III. Teaching services are rendered to students who come and enroll.

IV. No patents, trademarks, copyrights, licenses, franchises, concessions, and royalty agreements are held by the company.

V. All courses offered are with CHED recognition.

VI. Standard set by CHED encourages the University to continuously improve its quality of teaching and its facilities.

Operational and Financial Information

Dividend payments are normally restricted by reserves and appropriations made by the company, and by the amount needed to ensure smooth and unhampered operations during the year.

Control and Compensation Information
No warrants or options are given by the corporation.

S I G N A T U R E S

Pursuant to the requirements of Section I7 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of Manila, on________________.

By:

AURELIO R. MONTINOLA III
Chair, Board of Trustees and
Chief Executive Officer

GLENN Z. NAGAL
Comptroller

JUAN MIGUEL R. MONTINOLA
Chief Finance Officer

ARNUALDO B. MACAPAGAL
Chief Accounting Officer

SANTIAGO L. GARCIA, JR.
Corporate Secretary

SEP 11 2018

SUBSCRIBED AND SWORN to before me this _____day of _________ 2018, affiants exhibiting to me their Tax Identification Number, as follows:

Name	Tax Identification Number	Place Issued
Aurelio R. Montinola III	135-558-086	Philippines
Juan Miguel R. Montinola	115-203-243	Philippines
Glenn Z. Nagal	130-358-924	Philippines
Arnualdo B. Macapagal	116-077-847	Philippines
Santiago L. Garcia, Jr.	135-551-256	Philippines

NOTARY PUBLIC

ENRICO G. GILERA
Notary Public for Manila
Until December 2019
PTR No. 7007693; 01.10.2018; Manila
IBP No. 1006097; 10.11.2017; Manila III
Roll No. 35149; May 27, 1988
MCLE Compliance No. V 0021389; May 4, 2016
Unit 403 Dona Consuelo Bldg.,
929 Nicanor Reyes Street, Manila
Tel No. 7364975

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FAR EASTERN UNIVERSITY

Nicanor Reyes Street
Sampaloc, Manila
P.O. Box 609 Philippines 1015
www.feu.edu.ph

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of ***Far Eastern University, Incorporated*** (the University) is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended May 31, 2018 and May 31, 2017, and for the period ended May 31, 2016, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the University or to cease operations, or has no realistic alternative to do so.

The Board of Trustees is responsible for overseeing the University's financial reporting process.

The Board of Trustees reviews and approves the financial statements, including the schedules attached therein, and submits the same to the stockholders.

Punongbayan & Araullo, the independent auditors appointed by the stockholders, has audited the financial statements of the University in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

AURELIO R. MONTINOLA, III
Chairman of the Board and
Chief Executive Officer

MICHAEL M. ALBA
President and Chief Operating Officer

JUAN MIGUEL R. MONTINOLA
Chief Finance Officer

SUBSCRIBED AND SWORN to before me this SEP 1 1 2018 day of ______, 2018, affiants exhibiting their Tax Identification Numbers (TIN) as follows:

Name	TIN	Place Issued
Aurelio R. Montinola, III	135-558-086	Philippines
Michael M. Alba	157-483-273	Philippines
Juan Miguel R. Montinola	115-203-243	Philippines

ENRICO G. GILERA
Notary Public for Manila
Until December 2019
PTR No. 7007693; 01.10.2018; Manila
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Tel No. 7364975

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Grant Thornton
An instinct for growth™

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Report of Independent Auditors

The Board of Trustees and the Stockholders
The Far Eastern University, Incorporated
Nicanor Reyes, Sr. Street
Sampaloc, Manila

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Far Eastern University, Incorporated (the University), which comprise the statements of financial position as at May 31, 2018, 2017 and 2016 and the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows for the years ended May 31, 2018 and 2017 and the two months ended May 31, 2016, and the notes to financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the University as at May 31, 2018, 2017 and 2016, and its financial performance and its cash flows for the periods then ended in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the University in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements in the Philippines that are relevant to our audits of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

As discussed more fully in Note 1 to the financial statements, the University changed its financial reporting period from a fiscal year beginning April 1 and ending March 31, to a fiscal year beginning June 1 and ending May 31. Accordingly, it has prepared and presented financial statements for the two months ended May 31, 2016. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the University or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the University's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the University to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the fiscal year ended May 31, 2018 required by the Bureau of Internal Revenue as disclosed in Note 30 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with PFRS. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The engagement partner on the 2018 audit resulting in this independent auditors' report is Mailene Sigue-Bisnar.

PUNONGBAYAN & ARAULLO

By: Mailene Sigue-Bisnar
Partner

CPA Reg. No. 0090230
TIN 120-319-128
PTR No. 6616003, January 3, 2018, Makati City
SEC Group A Accreditation
Partner - No. 0396-AR-3 (until Oct. 15, 2018)
Firm - No. 0002-FR-5 (until Mar. 26, 2021)
BIR AN 08-002511-20-2018 (until Jan. 25, 2021)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Dec. 31, 2018)

August 28, 2018

THE FAR EASTERN UNIVERSITY, INCORPORATED
STATEMENTS OF FINANCIAL POSITION
MAY 31, 2018, 2017 AND 2016
(Amounts in Philippine Pesos)

	Notes	2018	2017 (As Restated – See Note 2)	2016 (As Restated – See Note 2)
A S S E T S				
CURRENT ASSETS				
Cash and cash equivalents	7	**P 237,222,553**	P 319,600,228	P 545,377,957
Receivables - net	8	**574,309,613**	506,203,661	358,428,279
Available-for-sale financial assets	10	**2,119,491,677**	2,139,654,834	2,156,987,745
Held-to-maturity investments	10	**-**	95,148,019	-
Prepayments and other current assets	11	**105,397,395**	59,572,675	30,274,087
Total Current Assets		**3,036,421,238**	3,120,179,417	3,091,068,068
NON-CURRENT ASSETS				
Available-for-sale financial assets	10	**-**	-	313,189,024
Held-to-maturity investments	10	**297,284,616**	241,418,315	-
Investments in subsidiaries and an associate	12	**2,045,820,563**	2,045,820,563	1,215,675,599
Investment properties - net	13	**1,380,122,640**	1,401,543,577	1,433,253,540
Property and equipment - net	14	**2,116,841,289**	2,043,632,959	1,857,569,127
Refundable deposits	4	**4,880,271**	5,377,630	5,377,630
Deferred tax assets - net	22	**8,654,109**	9,127,118	27,135,121
Total Non-current Assets		**5,853,603,488**	5,746,920,162	4,852,200,041
TOTAL ASSETS		**P 8,890,024,726**	P 8,867,099,579	P 7,943,268,109
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Trade and other payables	15	**P 876,394,851**	P 830,413,137	P 627,720,058
Interest-bearing loans	16	**1,033,571,429**	262,857,143	-
Advances from a related party	23	**85,800,000**	-	-
Unearned tuition fees	17	**83,737,964**	8,811,238	50,427,021
Derivative liability	9	**38,255,313**	33,365,459	20,520,000
Subscription payable	12, 23	**500,000**	488,000,000	94,250,000
Income tax payable		**-**	-	28,407,531
Total Current Liabilities		**2,118,259,557**	1,623,446,977	821,324,610
NON-CURRENT LIABILITIES				
Interest-bearing loans	16	**1,333,571,429**	1,617,142,857	1,480,000,000
Total Liabilities		**3,451,830,986**	3,240,589,834	2,301,324,610
EQUITY				
Capital stock	24	**1,651,435,400**	1,651,435,400	1,651,435,400
Treasury stock - at cost	24	**(3,733,100)**	(3,733,100)	(3,733,100)
Revaluation reserves	10	**(31,806,994)**	38,838,926	61,715,233
Retained earnings	24	**3,822,298,434**	3,939,968,519	3,932,525,966
Total Equity		**5,438,193,740**	5,626,509,745	5,641,943,499
TOTAL LIABILITIES AND EQUITY		**P 8,890,024,726**	P 8,867,099,579	P 7,943,268,109

See Notes to Financial Statements.

THE FAR EASTERN UNIVERSITY, INCORPORATED
STATEMENTS OF PROFIT OR LOSS
FOR THE YEARS ENDED MAY 31, 2018 AND 2017
AND THE TWO MONTHS ENDED MAY 31, 2016
(Amounts in Philippine Pesos)

	Notes	**May 31, 2018 (One Year)**	May 31, 2017 (One Year)	May 31, 2016 (Two Months – See Note 1)
EDUCATIONAL REVENUES	17			
Tuition fees - net		**P 1,373,824,095**	P 1,706,281,866	P 49,199,522
Other school fees		**41,920,098**	32,595,687	5,969,414
		1,415,744,193	1,738,877,553	55,168,936
OTHER OPERATING INCOME	2, 23	**70,336,190**	60,424,678	7,155,834
OPERATING EXPENSES	18	**(1,477,925,752)**	(1,506,735,384)	(275,147,463)
OPERATING PROFIT (LOSS)		**8,154,631**	292,566,847	(212,822,693)
FINANCE INCOME	19	**214,542,374**	180,106,668	29,568,666
OTHER INCOME - Net	20	**30,514,544**	27,505,208	2,219,185
FINANCE COSTS	19	**(92,969,495)**	(83,955,602)	(6,043,736)
PROFIT (LOSS) BEFORE TAX		**160,242,054**	416,223,121	(187,078,578)
TAX INCOME (EXPENSE)	22	**(14,279,771)**	(46,286,062)	17,464,411
NET PROFIT (LOSS)		**P 145,962,283**	P 369,937,059	(P 169,614,167)
Earnings (Loss) Per Share				
Basic and Diluted	25	**P 8.86**	P 22.45	(P 10.29)

See Notes to Financial Statements.

THE FAR EASTERN UNIVERSITY, INCORPORATED
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED MAY 31, 2018 AND 2017
AND THE TWO MONTHS ENDED MAY 31, 2016
(Amounts in Philippine Pesos)

	Note	**May 31, 2018 (One Year)**	May 31, 2017 (One Year)	May 31, 2016 (Two Months – See Note 1)
NET PROFIT (LOSS)		**P 145,962,283**	P 369,937,059	(P 169,614,167)
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will be reclassified subsequently to profit or loss				
Fair value gains (losses) on available-for-sale financial assets - net of tax	10			
Net fair value gains (losses) during the year		**(41,002,631)**	(13,883,687)	19,945,262
Fair value gains reclassified to profit or loss		**(29,643,289)**	(8,992,620)	(3,253,153)
		(70,645,920)	(22,876,307)	16,692,109
TOTAL COMPREHENSIVE INCOME (LOSS)		**P 75,316,363**	P 347,060,752	(P 152,922,058)

See Notes to Financial Statements.

THE FAR EASTERN UNIVERSITY, INCORPORATED
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED MAY 31, 2018 AND 2017 AND THE TWO MONTHS ENDED MAY 31, 2016
(Amounts in Philippine Pesos)

			Revaluation	**Retained Earnings**			
	Capital Stock	**Treasury Stock -**	**Reserves**	(See Note 24)			
	(See Note 24)	**at Cost**	(See Note 10)	**Appropriated**	**Unappropriated**	**Total**	**Total Equity**
Balance at June 1, 2017	P 1,651,435,400	(P 3,733,100)	P 38,838,926	P 2,573,733,100	P 1,366,235,419	P 3,939,968,519	P 5,626,509,745
Transaction with owners –							
Cash dividends	-	-	-	-	(263,632,368)	(263,632,368)	(263,632,368)
Appropriations of retained earnings							
Appropriations during the year	-	-	-	520,000,000	(520,000,000)	-	-
Reversal of appropriations during the year	-	-	-	(250,000,000)	250,000,000	-	-
	-	-	-	270,000,000	(270,000,000)	-	-
Total comprehensive income							
Net income for the year	-	-	-	-	145,962,283	145,962,283	145,962,283
Other comprehensive loss - net	-	-	(70,645,920)	-	-	-	(70,645,920)
	-	-	(70,645,920)	-	145,962,283	145,962,283	75,316,363
Balance at May 31, 2018	**P 1,651,435,400**	**(P 3,733,100)**	**(P 31,806,994)**	**P 2,843,733,100**	**P 978,565,334**	**P 3,822,298,434**	**P 5,438,193,740**
Balance at June 1, 2016	P 1,651,435,400	(P 3,733,100)	P 61,715,233	P 2,573,733,100	P 1,358,792,866	P 3,932,525,966	P 5,641,943,499
Transaction with owners –							
Cash dividends	-	-	-	-	(362,494,506)	(362,494,506)	(362,494,506)
Total comprehensive income							
Net income for the year	-	-	-	-	369,937,059	369,937,059	369,937,059
Other comprehensive loss - net	-	-	(22,876,307)	-	-	-	(22,876,307)
	-	-	(22,876,307)	-	369,937,059	369,937,059	347,060,752
Balance at May 31, 2017	P 1,651,435,400	(P 3,733,100)	P 38,838,926	P 2,573,733,100	P 1,366,235,419	P 3,939,968,519	P 5,626,509,745

	Capital Stock (See Note 24)	Treasury Stock - at Cost	Revaluation Reserves (See Note 10)	Retained Earnings (See Note 24) Appropriated	Unappropriated	Total	Total Equity
Balance at April 1, 2016	P 1,651,435,400	(P 3,733,100)	P 45,023,124	P 2,573,733,100	P 1,528,407,033	P 4,102,140,133	P 5,794,865,557
Total comprehensive income (loss)							
Net loss for the period	-	-	-	-	(169,614,167)	(169,614,167)	(169,614,167)
Other comprehensive income - net	-	-	16,692,109	-	-	-	16,692,109
	-	-	16,692,109	-	(169,614,167)	(169,614,167)	(152,922,058)
Balance at May 31, 2016	P 1,651,435,400	(P 3,733,100)	P 61,715,233	P 2,573,733,100	P 1,358,792,866	P 3,932,525,966	P 5,641,943,499

See Notes to Financial Statements.

THE FAR EASTERN UNIVERSITY, INCORPORATED
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MAY 31, 2018 AND 2017
AND THE TWO MONTHS ENDED MAY 31, 2016
(Amounts in Philippine Pesos)

	Notes	**May 31, 2018 (One Year)**	May 31, 2017 (One Year)	May 31, 2016 (Two Months – See Note 1)
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) before tax		**P 160,242,054**	P 416,223,121	(P 187,078,578)
Adjustments for:				
Depreciation and amortization	18	**205,593,927**	202,634,557	32,793,525
Interest expense	19	**81,465,141**	42,857,486	2,504,036
Interest income	19	**(68,659,934)**	(82,960,299)	(12,627,480)
Dividend income	19	**(62,511,365)**	(32,512,865)	-
Other investment income from available-for-sale (AFS) financial assets and held-to-maturity (HTM) investments – net	19	**(51,667,991)**	(35,272,845)	(8,010,040)
Impairment losses on receivables from students	18	**33,441,829**	27,256,489	-
Foreign exchange gain - net	19	**(31,703,084)**	(29,360,659)	(8,931,146)
Fair value loss on derivative liability	19	**11,504,354**	16,618,386	3,539,700
Loss on write-off of interest receivable	19	**-**	24,479,730	-
Operating profit (loss) before working capital changes		**277,704,931**	549,963,101	(177,809,983)
Decrease (increase) in receivables		**(34,070,652)**	(153,872,546)	131,193,479
Increase in prepayments and other current assets		**(45,327,355)**	(43,720,317)	(14,524,403)
Increase in refundable deposits		**-**	-	1,000,000
Increase (decrease) in trade and other payables		**16,544,851**	167,847,301	(55,842,588)
Increase (decrease) in unearned tuition fees		**74,926,726**	(41,615,783)	50,427,021
Cash generated from (used in) operations		**289,778,501**	478,601,756	(65,556,474)
Interest received		**8,975,115**	17,075,800	1,846,217
Income taxes paid		**(13,806,762)**	(28,278,059)	(3,261,270)
Net Cash From (Used in) Operating Activities		**284,946,854**	467,399,497	(66,971,527)
CASH FLOWS FROM INVESTING ACTIVITIES				
Additional investments in subsidiaries	12	**(487,500,000)**	(436,394,964)	(662,212,668)
Acquisitions of property and equipment	14	**(257,381,320)**	(367,286,136)	(29,205,664)
Proceeds from matured HTM investments		**96,128,844**	26,612,340	-
Interest received	10	**65,051,814**	95,584,168	18,644,881
Acquisition of HTM investments	10	**(52,500,099)**	(15,000,000)	-
Net disposals (acquisitions) of AFS financial assets	10	**(50,482,763)**	(28,202,111)	6,535,277
Dividend received	23	**58,352,732**	6,672,998	-
Additions to investment properties	13	**-**	(582,198)	(478,000)
Net Cash Used in Investing Activities		**(628,330,792)**	(718,595,903)	(666,716,174)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from interest-bearing loan	16, 29	**715,000,000**	400,000,000	800,000,000
Dividends paid	24	**(245,031,711)**	(340,632,724)	(1,627,770)
Repayment of interest-bearing loans	16, 29	**(227,857,142)**	-	-
Advances obtained from a related party	23, 29	**110,800,000**	-	-
Interest paid	16, 19	**(70,628,935)**	(35,390,861)	(1,250,000)
Repayment of advances from a related party	23, 29	**(25,000,000)**	-	-
Net Cash From Financing Activities		**257,282,212**	23,976,415	797,122,230
Effect of Exchange Rate Changes on Cash and Cash Equivalents		**3,724,051**	1,442,262	781,021
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(82,377,675)**	(225,777,729)	64,215,550
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		**319,600,228**	545,377,957	481,162,407
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**P 237,222,553**	P 319,600,228	P 545,377,957

Supplemental Information on Non-cash Investing and Financing Activities:

1) During the periods ended May 31, 2017 and 2016, the University acquired 17.73% and 79.72% interest in Roosevelt College, Inc. (RCI) for a total consideration of P180.1 million and P808.3 million, of which P36.2 million and P146.1 million, respectively, is retained by the University (see Notes 12 and 15).

2) During the two months ended May 31, 2016, the University capitalized certain costs incidental to its acquisition of interest in RCI amounting to P24.0 million, which remained unpaid as of May 31, 2016, hence, is recorded as part of Retention payable under Trade and Other Payables account (see Note 15).

3) During the year ended May 31, 2017, the University reclassified investments from Available-for-sale Financial Assets amounting to P335.8 million to Held-to-maturity Investments (see Note 10).

4) During the year ended May 31, 2017, the University reclassified P10.9 million from Investment Properties account to the Receivables account (see Notes 8, 13 and 23).

5) During the period ended May 31, 2016, the University capitalized borrowing costs amounting to P4.0 million as part of Investment Properties (see Notes 13 and 16).

6) During the years ended May 31, 2018 and 2017, the University declared cash dividends totaling P263.6 million and P362.5 million, respectively, of which P18.6 million and P21.9 million, respectively, were not paid in the year of declaration.

7) During the periods ended May 31, 2018 and 2017, certain subsidiaries of the University declared dividends totaling to P62.5 million and P32.5 million, respectively. Related receivable amounting to P30.0 million and P25.8 million, respectively, is recognized as part of Receivables from related parties under Receivable account (see Notes 8 and 23).

8) During the periods ended May 31, 2017 and 2016 (nil in 2018), the University made additional subscription to certain subsidiaries amounting to P926.5 million and P830.1 million, respectively. Subscription payable as of May 31, 2018, 2017 and 2016 amounted to P0.5 million, P488.0 million and P94.2 million, respectively (see Note 12).

See Notes to Financial Statements.

THE FAR EASTERN UNIVERSITY, INCORPORATED
NOTES TO FINANCIAL STATEMENTS
MAY 31, 2018, 2017 AND 2016
(Amounts in Philippine Pesos)

1. CORPORATE INFORMATION

1.1 Organization and Operations

The Far Eastern University, Incorporated (the University or FEU) is a domestic educational institution founded in June 1928 and was incorporated in the Philippines and registered with the Securities and Exchange Commission (SEC) on October 27, 1933. On October 27, 1983, the University extended its corporate life to another 50 years. It became a listed corporation in the Philippine Stock Exchange (PSE) on July 11, 1986.

The University is a private, non-sectarian institution of learning comprising the following different institutes that offer specific courses, namely, Institute of Arts and Sciences, Institute of Accounts, Business and Finance, Institute of Education, Institute of Architecture and Fine Arts, Institute of Nursing, Institute of Tourism and Hotel Management, and Institute of Law.

Several programs of FEU, such as Liberal Arts, Applied Mathematics, Biology, Accountancy, Business Administration and Education, are accredited by the Philippine Association of Colleges and Universities Commission on Accreditation.

The University also has a campus in Makati, which offers Law, Accountancy, Business and Information Technology education.

The registered office address and principal place of business of the University is located at Nicanor Reyes, Sr. Street, Sampaloc, Manila.

1.2 Change in Fiscal Year

On March 15, 2016, the University's Board of Trustees (BOT) approved the amendment of its by-laws for the change in the University's current fiscal year from a fiscal year beginning on April 1 and ending on March 31, to a fiscal year beginning on June 1 and ending on May 31. The amended by-laws were approved by the SEC on June 29, 2016. The University's application for change in fiscal year was approved by the Bureau of Internal Revenue (BIR) on June 30, 2016. Such change is effective on June 1, 2016.

1.3 Approval of the Financial Statements

The financial statements of the University as of and for the year ended May 31, 2018 (including the comparative financial statements as of and for the periods ended May 31, 2017 and 2016) were authorized for issue by the BOT on August 28, 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these financial statements are summarized below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The financial statements of the University have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PFRS are adopted by the Financial Reporting Standards Council (FRSC) from the pronouncements issued by the International Accounting Standards Board (IASB), and approved by the Philippine Board of Accountancy.

The financial statements have been prepared using the measurement bases specified by PFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) Presentation of Financial Statements

The financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The University presents the statement of comprehensive income separate from the statement of profit or loss.

The University presents two comparative periods for the statement of financial position regardless whether the University has or does not have retrospective restatement of items in its financial statements, or reclassifies items in the financial statements.

(c) Functional and Presentation Currency

These financial statements are presented in Philippine pesos, the University's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the financial statements of the University are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the University operates.

(d) Retrospective Reclassification of Accounts

The University made retrospective reclassifications in its statements of financial position as of May 31, 2017 and 2016 relating to certain accounts to conform with the current presentation. These reclassifications did not result in any adjustment to the balances of total comprehensive income or total equity as previously reported.

Presented below are the analysis of the effects of the reclassifications of certain accounts in the 2017 and 2016 statements of financial position.

	May 31, 2017		
	As Previously Reported	Effects of Reclassification	As Restated
Changes in assets			
Current:			
Receivables – net	P 502,832,870	P 3,370,791	P 506,203,661
Prepayments and other current assets - net	60,248,385	(675,710)	59,572,675
		2,695,081	
Non-current:			
Investment in subsidiaries and an associate	1,557,820,563	488,000,000	2,045,820,563
Refundable deposits	4,377,630	1,000,000	5,377,630
		489,000,000	
		491,695,081	
Changes in liabilities			
Trade and other payables	P 826,718,056	P 3,695,081	P 830,413,137
Subscription payable	-	488,000,000	488,000,000
		491,695,081	
Net change in equity		P -	

	May 31, 2016		
	As Previously Reported	Effects of Reclassification	As Restated
Changes in assets			
Current:			
Receivables – net	P 343,511,638	P 14,916,641	P 358,428,279
Prepayments and other current assets - net	43,990,988	(13,716,901)	30,274,087
		1,199,740	
Non-current:			
Investment in subsidiaries and an associate	1,121,425,599	94,250,000	1,215,675,599
Refundable deposits	4,377,630	1,000,000	5,377,630
		95,250,000	
		96,449,740	
Changes in liabilities			
Trade and other payables	P 625,520,318	P 2,199,740	P 627,720,058
Subscription payable	-	94,250,000	94,250,000
		96,449,740	
Net change in equity		P -	

Moreover, the University also presented its rental income, which was previously reported under Other Income line item, to a separate line item (that is, Other Operating Income) in the statements of profit or loss to conform with the current presentation.

These retrospective reclassifications did not have an impact in the University's statements of cash flows for the periods ended May 31, 2017 and 2016.

2.2 *Adoption of New and Amended PFRS*

(a) Effective in Fiscal Year 2018 that are Relevant to the University

The University adopted the following amendments and annual improvements to PFRS, which are mandatorily effective for the annual periods beginning on or after January 1, 2017:

PAS 7 (Amendments)	:	Statement of Cash Flows – Disclosure Initiative
PAS 12 (Amendments)	:	Income Taxes – Recognition of Deferred Tax Assets for Unrealized Losses
Annual Improvements to PFRS (2014-2016 Cycle)		
PFRS 12	:	Disclosure of Interests in Other Entities – Scope Clarification on Disclosure of Summarized Financial Information for Interests Classified as Held for Sale

Discussed as follows are relevant information about these amendments and improvements:

(i) PAS 7 (Amendments), *Statement of Cash Flows – Disclosure Initiative*. The amendments are designed to improve the quality of information provided to users of financial statements about changes in an entity's debt and related cash flows and non-cash changes. They require an entity to provide disclosures that enable users to evaluate changes in liabilities arising from financing activities. An entity applies its judgment when determining the exact form and content of the disclosures needed to satisfy this requirement. Moreover, they suggest a number of specific disclosures that may be necessary in order to satisfy the above requirement, including: (a) changes in liabilities arising from financing activities caused by changes in financing cash flows, foreign exchange rates or fair values, or obtaining or losing control of subsidiaries or other businesses; and, (b) a reconciliation of the opening and closing balances of liabilities arising from financing activities in the statement of financial position including those changes identified immediately above.

Management has applied these amendments in the current year and has not disclosed comparative figures as allowed by the transitional provisions. A reconciliation between the opening and closing balances of liabilities arising from financing activities, which includes both cash and non-cash changes, are presented in Note 29.

(ii) PAS 12 (Amendments), *Income Taxes – Recognition of Deferred Tax Assets for Unrealized Losses*. The focus of the amendments is to clarify how to account for deferred tax assets related to debt instruments measured at fair value, particularly where changes in the market interest rate decrease the fair value of a debt instrument below cost. The amendments provide guidance in the following areas where diversity in practice previously existed: (a) existence of a deductible temporary difference; (b) recovering an asset for more than its carrying amount; (c) probable future taxable profit against which deductible temporary differences are assessed for utilization; and, (d) combined versus separate assessment of deferred tax asset recognition for each deductible temporary difference. The application of these amendments has no significant impact on the University's financial statements.

(iii) Annual Improvements to PFRS (2014 - 2016 Cycle) – PFRS 12, *Disclosure of Interests in Other Entities – Scope Clarification on Disclosure of Summarized Financial Information for Interests Classified as Held for Sale.* The amendment clarifies that the disclosure requirements of PFRS 12 applies to interest in other entities classified as held for sale with practical concession in the presentation of summarized financial information. The amendment states that an entity need not present summarized financial information for interests in subsidiaries, associates, or joint ventures that are classified as held for sale. The amendment did not result in additional or changes in the disclosures in the financial statements as the University has no interest in other entities that is classified as held for sale.

(b) Effective Subsequent to Fiscal Year 2018 but not Adopted Early

There are new PFRS, amendments, interpretations and annual improvements to existing standards effective for annual periods subsequent to fiscal year 2018, which are adopted by the FRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, unless otherwise stated, none of these are expected to have significant impact on the University's financial statements:

(i) PAS 40 (Amendments), *Investment Property – Reclassification to and from Investment Property* (effective from January 1, 2018). The amendments state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. The amendments also provided a non-exhaustive list of examples constituting change in use.

(ii) PFRS 9 (2014), *Financial Instruments* (effective from January 1, 2018). This new standard on financial instruments will replace PAS 39, *Financial Instruments: Recognition and Measurement*, and PFRS 9 (2009, 2010 and 2013 versions). This standard contains, among others, the following:

- three principal classification categories for financial assets based on the business model on how an entity is managing its financial instruments;

- an expected credit loss (ECL) model in determining impairment of all financial assets that are not measured at fair value through profit or loss (FVTPL), which generally depends on whether there has been a significant increase in credit risk since initial recognition of a financial asset; and,

- a new model on hedge accounting that provides significant improvements principally by aligning hedge accounting more closely with the risk management activities undertaken by entities when hedging their financial and non-financial risk exposures.

In accordance with the financial asset classification principle of PFRS 9 (2014), a financial asset is classified and measured at amortized cost if the asset is held within a business model whose objective is to hold financial assets in order to collect the contractual cash flows that represent solely payments of principal and interest (SPPI) on the principal outstanding. Moreover, a financial asset is classified and subsequently measured at fair value through other comprehensive income (FVTOCI) if it meets the SPPI criterion and is held in a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets. All other financial assets are measured at FVTPL.

In addition, PFRS 9 (2014) allows entities to make an irrevocable election to present subsequent changes in the fair value of an equity instrument that is not held for trading in other comprehensive income.

The accounting for embedded derivatives in host contracts that are financial assets is simplified by removing the requirement to consider whether or not they are closely related, and, in most arrangements, does not require separation from the host contract.

For liabilities, the standard retains most of the PAS 39 requirements which include amortized cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The standard also requires changes in the fair value of an entity's own debt instruments caused by changes in its own credit quality to be recognized in other comprehensive income rather than in profit or loss.

Based on an assessment of the University's financial assets and liabilities as at May 31, 2018, which has been limited to the facts and circumstances existing at that date, management has identified the following areas that are expected to be most impacted by the application of PFRS 9 (2014):

- On classification and measurement of the University's financial assets, management holds most financial assets to collect the associated cash flows and is currently assessing the underlying types of cash flows to classify financial assets correctly. Management expects that all of the University's financial assets currently classified as loans and receivables and held-to-maturity (HTM) investments will continue to be classified and accounted for at amortized cost.

- The University's equity securities, including those investments in Unit Investment Trust Fund (UITF) whose underlying assets are in equity securities, currently classified as available-for-sale (AFS) financial assets will be measured at fair value with changes in fair value presented either in profit or loss or in other comprehensive income. To present changes in other comprehensive income requires making an irrevocable designation on initial recognition or at the date of transition.

- Government securities and corporate bonds currently classified as AFS financial assets have fixed interest rates and defined maturity dates (see Note 10.1). The University initially assessed that the contractual cash flows of these debt securities qualify under the SPPI test and under held-to-collect and sell business model. Thus, these debt securities will continue to be measured at fair value, with mark-to-market fluctuations recognized in OCI subject to recycling upon disposal of these securities.

- The ECL model will apply to the University's certain receivables and debt securities under AFS financial assets and HTM investments. For tuition and other school fees receivables and other financial assets, the University will apply a simplified model of recognizing lifetime expected credit losses as these items do not have a significant financing component.

- The existing financial liabilities of the University are measured at amortized cost, except for its derivative liability which is measured at fair value. Upon adoption of PFRS 9 (2014), management has assessed that the classifications for the financial liabilities will be retained.

(iii) PFRS 15, *Revenue from Contracts with Customers* (effective from January 1, 2018). This standard will replace PAS 18, *Revenue*, and PAS 11, *Construction Contracts*, the related Interpretations on revenue recognition: International Financial Reporting Interpretations Committee (IFRIC) 13, *Customer Loyalty Programmes*, IFRIC 15, *Agreement for the Construction of Real Estate*, IFRIC 18, *Transfers of Assets from Customers*, and Standing Interpretations Committee 31, *Revenue – Barter Transactions Involving Advertising Services*. This new standard establishes a comprehensive framework for determining when to recognize revenue and how much revenue to recognize. The core principle in the said framework is for an entity to recognize revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Based on the University's initial assessment of its revenue streams as at May 31, 2018, which has been limited to the facts and circumstances existing at that date, management determined that its significant source of revenue pertains to educational revenues, which will be in scope of PFRS 15.

(iv) IFRIC 22, *Foreign Currency Transactions and Advance Consideration – Interpretation on Foreign Currency Transactions and Advance Consideration* (effective from January 1, 2018). The interpretation provides more detailed guidance on how to account for transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation states that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary asset (arising from advance payment) or liability (arising from advance receipt). If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

Management has initially assessed that this interpretation has no material impact on the University's financial statements.

(v) Annual Improvements to PFRS 2014-2016 Cycle. Among the improvements, PAS 28 (Amendments), *Investment in Associates – Clarification on Fair Value through Profit or Loss Classification* (effective from January 1, 2018) is relevant to the University. The amendments clarify that the option for venture capital organization, mutual funds and other similar entities to elect the fair value through profit or loss classification in measuring investments in associates and joint ventures shall be made at initial recognition, separately for each associate or joint venture.

Management has initially assessed that these amendments have no material impact on the University's financial statements.

(vi) PAS 28 (Amendments), *Investment in Associates – Long-term Interest in Associates and Joint Venture* (effective from January 1, 2019). The amendments clarify that the scope exclusion in PFRS 9 (2014) applies only to ownership interests accounted for using the equity method. Thus, the amendments further clarify that long-term interests in an associate or joint venture – to which the equity method is not applied – must be accounted for under PFRS 9 (2014), which shall also include long-term interests that, in substance, form part of the entity's net investment in an associate or joint venture.

Management is currently assessing the impact of these amendments on the University's financial statements.

(vii) PFRS 9 (Amendments), *Financial Instruments – Prepayment Features with Negative Compensation* (effective from January 1, 2019). The amendments clarify that prepayment features with negative compensation attached to financial instruments may still qualify under the SPPI test. As such, the financial assets containing prepayment features with negative compensation may still be classified at amortized cost or at FVTOCI.

(viii) PFRS 16, *Leases* (effective from January 1, 2019). The new standard will eventually replace PAS 17, *Leases*. For lessees, it requires to account for leases "on-balance sheet" by recognizing a "right-of-use" asset and a lease liability. The lease liability is initially measured as the present value of future lease payments. For this purpose, lease payments include fixed, non-cancellable payments for lease elements, amounts due under residual value guarantees, certain types of contingent payments and amounts due during optional periods to the extent that extension is reasonably certain. In subsequent periods, the "right-of-use" asset is accounted for similarly to a purchased asset and depreciated or amortized. The lease liability is accounted for similarly to a financial liability using the effective interest method. However, the new standard provides important reliefs or exemptions for short-term leases and leases of low value assets. If these exemptions are used, the accounting is similar to operating lease accounting under PAS 17 where lease payments are recognized as expenses on a straight-line basis over the lease term or another systematic basis (if more representative of the pattern of the lessee's benefit).

For lessors, lease accounting is similar to PAS 17's. In particular, the distinction between finance and operating leases is retained. The definitions of each type of lease, and the supporting indicators of a finance lease, are substantially the same as PAS 17's. The basic accounting mechanics are also similar, but with some different or more explicit guidance in few areas. These include variable payments, sub-leases, lease modifications, the treatment of initial direct costs and lessor disclosures.

Management is currently assessing the impact of this new standard on the University's financial statements.

(ix) IFRIC 23, *Uncertainty over Income Tax Treatments* (effective from January 1, 2019). The interpretation provides clarification on the determination of taxable profit, tax bases, unused tax losses, unused tax credits, and tax rates when there is uncertainty over income tax treatments. The core principle of the interpretation requires the University to consider the probability of the tax treatment being accepted by the taxation authority. When it is probable that the tax treatment will be accepted, the determination of the taxable profit, tax bases, unused tax losses, unused tax credits, and tax rates shall be on the basis of the accepted tax treatment. Otherwise, the University has to use the most likely amount or the expected value, depending on the surrounding circumstances, in determining the tax accounts identified immediately above.

Management is currently assessing the impact of this interpretation on the University's financial statements.

(x) Annual Improvements to PFRS 2015-2017 Cycle (effective from January 1, 2019). Among the improvements, the following amendments are relevant to the University but had no material impact on its financial statements as these amendments merely clarify existing requirements:

- PAS 12 (Amendments), *Income Taxes – Tax Consequences of Dividends*. The amendments clarify that all income tax consequence of dividend payments should be recognized in profit or loss.

- PAS 23 (Amendments), *Borrowing Costs – Eligibility for Capitalization*. The amendments clarify that any specific borrowing which remains outstanding after the related qualifying asset is ready for its intended purpose, such borrowing will then form part of the entity's general borrowings when calculating the capitalization rate for capitalization purposes.

- PFRS 3 (Amendments), *Business Combinations*, and PFRS 11 (Amendments), *Joint Arrangements – Remeasurement of Previously Held Interests in a Joint Operation*. The amendments clarify that previously held interest in a joint operation shall be remeasured when the University obtains control of the business. On the other hand, previously held interests in a joint operation shall not be remeasured when the University obtains joint control of the business.

(xi) PFRS 10 (Amendments), *Consolidated Financial Statements*, and PAS 28 (Amendments), *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (effective date deferred indefinitely). The amendments to PFRS 10 require full recognition in the investor's financial statements of gains or losses arising on the sale or contribution of assets that constitute a business as defined in PFRS 3, *Business Combinations,* between an investor and its associate or joint venture. Accordingly, the partial recognition of gains or losses (i.e., to the extent of the unrelated investor's interests in an associate or joint venture) only applies to those sale or contribution of assets that do not constitute a business. Corresponding amendments have been made to PAS 28 to reflect these changes.

In addition, PAS 28 has been amended to clarify that when determining whether assets that are sold or contributed constitute a business, an entity shall consider whether the sale or contribution of those assets is part of multiple arrangements that should be accounted for as a single transaction.

2.3 Separate Financial Statements and Investments in Subsidiaries and an Associate

These financial statements are prepared as the University's separate financial statements. The University also prepares consolidated financial statements as required under PFRS and is available for public use.

Subsidiaries are entities over which the University has control. The University controls an entity when (i) it has power over the entity, (ii) it is exposed, or has rights to, variable returns from its involvement with the entity, and, (iii) it has the ability to affect those returns through its power over the entity.

The University reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of controls indicated above.

An associate is an entity over which the University is able to exert significant influence but which is neither a subsidiary nor interest in a joint venture.

The University's investments in subsidiaries and an associate are accounted for in these separate financial statements at cost, less any impairment loss (see Note 2.14).

2.4 Financial Assets

Financial assets are recognized when the University becomes a party to the contractual terms of the financial instrument. For purposes of classifying financial assets, an instrument is considered as an equity instrument if it is non-derivative and meets the definition of equity for the issuer in accordance with the criteria of PAS 32, *Financial Instruments: Presentation*. All other non-derivative financial instruments are treated as debt instruments.

(a) Classification and Measurement of Financial Assets

Financial assets other than those designated and effective as hedging instruments are classified into the following categories: financial assets at FVTPL, loans and receivables, HTM investments and AFS financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired.

Regular purchases and sales of financial assets are recognized on their trade date. All financial assets that are not classified as at FVTPL are initially recognized at fair value plus any directly attributable transaction costs. Financial assets carried at FVTPL are initially recorded at fair value and the related transaction costs are recognized in profit or loss.

A more detailed description of categories of financial assets that are relevant to the University follows:

(i) Financial Assets at FVTPL

This category includes financial assets that are either classified as held for trading or that meets certain conditions and are designated by the entity to be carried at fair value through profit or loss upon initial recognition. All derivatives fall into this category, except for those designated and effective as hedging instruments. Assets in this category are classified as current if they are either held for trading or are expected to be realized within 12 months from the end of each reporting period.

Financial assets at FVTPL are measured at fair value, and changes therein are recognized in profit or loss. Financial assets (except derivatives and financial instruments originally designated as financial assets at fair value through profit or loss) may be reclassified out of FVTPL category if they are no longer held for the purpose of being sold or repurchased in the near term.

The University enters into a cross-currency swap agreement to manage its risks associated with fluctuations in foreign currency denominated investments in corporate bonds. The host instruments were classified as AFS financial assets for the period ended March 31, 2016, which were subsequently reclassified to HTM investments during the year ended May 31, 2017 (see Note 10.2). Such derivative financial instruments are initially recognized at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is favorable to the University and as liabilities when the fair value is favorable to the counterparty (see Note 2.8). Thus, if derivative asset is recognized, it is presented as Financial Asset at FVTPL; otherwise, it is presented as Derivative Liability in the statement of financial position.

The University's derivative instruments provide economic hedges under the University's policies but are not designated as accounting hedges. Consequently, any gains or losses arising from changes in fair value are taken up directly in profit or loss for the period [see Note 3.2(b)].

(ii) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the University provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for those with maturities beyond 12 months after the end of each reporting period, which are classified as non-current assets.

The University's financial assets categorized as loans and receivables are presented as Cash and Cash Equivalents, Receivables (excluding advances to employees), as part of Other Current Assets (with respect to short-term investments) and Refundable Deposits in the statement of financial position. Cash and cash equivalents include cash on hand, demand deposits and short-term, highly liquid investments with original maturities of three months or less, readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

Loans and receivables are subsequently measured at amortized cost using the effective interest method, less impairment loss, if any.

(iii) HTM Investments

This category includes non-derivative financial assets with fixed or determinable payments and a fixed date of maturity that the University has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. If the University were to sell other than an insignificant amount of HTM investments, the whole category would be tainted and reclassified to AFS financial assets. The University currently holds corporate bonds designated into this category.

Subsequent to initial recognition, HTM investments are measured at amortized cost using the effective interest method, less impairment losses, if any.

(iv) AFS Financial Assets

This category includes non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. They are included in non-current assets in the statement of financial position unless management intends to dispose of the investment within 12 months from the reporting period.

All financial assets within this category are subsequently measured at fair value, except for equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured which are measured at cost, less impairment loss, if any. Gains and losses from changes in fair value of AFS financial assets are recognized in other comprehensive income, net of any income tax effects, and are reported as part of the Revaluation Reserves account in equity. Interest and dividend income, impairment losses and foreign exchange differences on monetary assets are recognized in profit or loss.

When the financial asset is disposed of or is determined to be impaired, that is, when there is a significant or prolonged decline in the fair value of the security below its cost, the cumulative fair value gains or losses recognized in other comprehensive income is reclassified from equity to profit or loss and is presented as reclassification adjustment within other comprehensive income even though the financial asset has not been derecognized.

(b) Impairment of Financial Assets

The University assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. The University recognizes impairment loss based on the category of financial assets as follows:

(i) Carried at Amortized Cost – Loans and Receivables and HTM Investments

If there is objective evidence that an impairment loss on loans and receivables or HTM investments carried at cost has been incurred, the amount of the impairment loss is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the financial asset's original effective interest rate or current effective interest rate determined under the contract if the loan has a variable interest rate.

The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of the loss shall be recognized in profit or loss.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss is reversed by adjusting the allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortized cost would have been had the impairment not been recognized at the date of the impairment is reversed. The amount of the reversal is recognized in profit or loss.

(ii) Carried at Fair Value – AFS Financial Assets

When a decline in the fair value of an AFS financial asset has been recognized in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss – measured as the difference between the acquisition cost (net of any principal repayment and amortization) and current fair value, less any impairment loss on that financial asset previously recognized in profit or loss – is reclassified from Revaluation Reserves to profit or loss as a reclassification adjustment even though the financial asset has not been derecognized.

Impairment losses recognized in profit or loss on equity instruments are not reversed through profit or loss. Reversal of impairment losses is recognized in other comprehensive income, except for financial assets that are debt securities which are recognized in profit or loss only if the reversal can be objectively related to an event occurring after the impairment loss was recognized.

(c) Items of Income and Expense Related to Financial Assets

All income and expenses, except those arising from operating activities, relating to financial assets that are recognized in profit or loss, are presented as part of Finance Income or Finance Costs in the statement of profit or loss.

Non-compounding interest, dividend income and other cash flows resulting from holding financial assets are recognized in profit or loss when earned, regardless of how the related carrying amount of financial assets is measured.

(d) Derecognition of Financial Assets

The financial assets (or where applicable, a part of a financial asset or part of a group of financial assets) are derecognized when the contractual rights to receive cash flows from the financial instruments expire, or when the financial assets and all substantial risks and rewards of ownership have been transferred to another party. If the University neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the University recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the University retains substantially all the risks and rewards of ownership of a transferred financial asset, the University continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

2.5 Prepayments and Other Assets

Prepayments and other current assets pertain to other resources controlled by the University as a result of past events. They are recognized in the financial statements when it is probable that the future economic benefits will flow to the University and the asset has a cost or value that can be measured reliably.

Where future economic benefits are expected to flow to the University beyond one year after the end of the reporting period, these other assets are classified under the non-current category.

2.6 Property and Equipment

Except for land which is stated at cost less any impairment in value, property and equipment are stated at cost less accumulated depreciation, amortization and impairment in value, if any.

The cost of an asset comprises its purchase price and directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions, major improvements and renewals are capitalized; expenditures for repairs and maintenance are charged to expense as incurred.

Depreciation and amortization are computed on a straight-line basis over the estimated useful lives of the assets as follows:

Building and improvements	20 years
Furniture and equipment	3 - 6 years
Miscellaneous equipment	5 years

Leasehold improvements are amortized over 20 years regardless of the term of lease contract which is usually shorter than the expected useful life of the improvements because it is highly probable that the lease contract will be renewed before the end of such contract [see Note 3.1(c)].

Construction in progress represents properties under construction and is stated at cost. This includes cost of construction, borrowing costs, if any, and other direct costs (see Note 2.16). The account is not depreciated until such time that the assets are completed and available for use.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see Note 2.14).

The residual values, estimated useful lives and method of depreciation and amortization of property and equipment are reviewed and adjusted, if appropriate, at the end of each reporting period.

Fully depreciated and amortized assets are retained in the accounts until they are no longer in use and no further charge for depreciation and amortization is made in respect of those assets.

An item of property and equipment, including the related accumulated depreciation, amortization and impairment losses, if any, is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the year the item is derecognized.

2.7 Investment Properties

Investment properties are measured initially at acquisition cost. Subsequently, investment properties, except land, are carried at cost less accumulated depreciation and impairment in value, if any. Depreciation of investment properties, which consist of building and improvements, is computed using the straight-line method over its estimated useful life of 20 years. Land is carried at cost less impairment in value, if any.

Investment properties include construction in progress which represents properties under construction and is stated at cost. This includes cost of construction, applicable borrowing costs (see Note 2.16) and other direct costs. The account is not depreciated until such time that the assets are completed and available for use.

Transfers are made to and from investment property when, and only when, there is a change in use, evidenced by the end or commencement of owner-managed, commencement of an operating lease to another party, by the end of construction or development, or commencement of development with a view to sell.

For the transfer from investment property to owner-occupied property, the cost of property for subsequent accounting is its carrying value at the date of change in use.

If an owner-occupied property becomes an investment property, the University accounts for such property in accordance with the policy stated under Property and Equipment up to the date of change in use (see Note 2.6).

Investment property is derecognized upon disposal or when permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in profit or loss in the year of retirement or disposal.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see Note 2.14).

2.8 Financial Liabilities

Financial liabilities, which include interest-bearing loans, trade and other payables [except tax-related liabilities and National Service Training Program (NSTP) trust fund], advances from a related party, derivative liability and subscription payable, are recognized when the University becomes a party to the contractual terms of the instrument.

Trade and other payables account include deposits payable which represents funds collected from students or entities and are held by the University. The University has no control over its use and disburses the funds only upon instruction of the student or entity that made the deposit. This account also includes Trust funds which represent restricted funds of the University that are intended for student's NSTP and other specific educational purposes [see Note 2.11(a)]. The University administers the use of these funds based on the specific purpose such funds are identified with.

Interest-bearing loans are availed for capital expenditures and to provide general corporate funding requirements.

Financial liabilities are recognized initially at their fair values and subsequently measured at amortized cost, except derivative liability which is consistently measured at fair value, using the effective interest method for those with maturities beyond one year, less settlement payments.

Dividend distributions to shareholders are recognized as financial liabilities upon declaration by the University.

Financial liabilities are classified as current liabilities if payment is due to be settled within one year or less after the end of the reporting period, or the University does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period. Otherwise, these are presented as non-current liabilities.

Financial liabilities are derecognized from the statement of financial position only when the obligations are extinguished either through discharge, cancellation or expiration. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable is recognized in profit or loss.

2.9 Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the resulting net amount, considered as a single financial asset or financial liability, is reported in the statement of financial position when there is a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. The right of set-off must be available at the end of the reporting period, that is, it is not contingent on future event. It must also be enforceable in the normal course of business, in the event of default, and in the event of insolvency or bankruptcy; and, must be legally enforceable for both entity and all counterparties to the financial instruments.

2.10 Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive obligation that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. When time value of money is material, long-term provisions are discounted to their present values using a pretax rate that reflects market assessments and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

In those cases, where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements. Similarly, possible inflows of economic benefits to the University that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements. On the other hand, any reimbursement that the University can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

2.11 Revenue and Expense Recognition

Revenue is measured by reference to the fair value of consideration received or receivable by the University for services rendered, excluding value-added tax (VAT) and discounts.

Revenue is recognized to the extent that the revenue can be reliably measured; it is probable that the economic benefits will flow to the University; and, the costs incurred or to be incurred can be measured reliably.

In addition, the following specific recognition criteria must also be met before revenue is recognized:

(a) *Educational revenues* – Revenue is recognized in profit or loss over the corresponding school term. Tuition fee received in advance and applicable to a school term after the reporting period is not recognized in profit or loss until the next reporting period and is presented as Unearned Tuition Fees account in the statement of financial position. Revenues from NSTP trust fund (see Note 2.8) are recognized upon fulfillment of conditions attached to the fund and/or extent that the related expenses have been incurred. Restricted funds for which restrictions and conditions have not yet been met are classified as trust funds (liability) recorded as part of the Trade and Other Payables account in the statement of financial position.

(b) *Rental* – Revenue from operating lease is recognized over the lease term using the straight-line method. This is presented as Other Operating Income in the statement of profit or loss.

(c) *Income from sale of books and other educational-related merchandise* – Revenue is recognized when the risks and rewards of ownership of the goods have been passed to the buyer. This is generally when the customer has acknowledged delivery of goods. The sale of this merchandise is made exclusively for the University's students.

(d) *Interest* – Income is recognized as the interest accrues taking into account the effective yield on the asset.

(e) *Dividends* – Revenue is recognized when the University's right to receive payment is established.

Cost and expenses are recognized in profit or loss upon utilization of goods or services or at the date such cost and expenses are incurred. All finance costs are reported in profit or loss on an accrual basis, except capitalized borrowing costs which are included as part of the cost of the related qualifying asset (see Note 2.16).

2.12 Leases

The University accounts for its leases as follows:

(a) *University as Lessee*

Leases which do not transfer to the University substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments (net of any incentive received from the lessor) are recognized as expense in profit or loss on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

(b) *University as Lessor*

Leases which do not transfer to the lessee substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income from operating leases is recognized in profit or loss on a straight-line basis over the lease term.

The University determines whether an arrangement is, or contains, a lease based on the substance of the arrangement. It makes an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

2.13 Foreign Currency Transactions and Translation

The accounting records of the University are maintained in Philippine pesos. Foreign currency transactions during the year are translated into the functional currency at exchange rates which approximate those prevailing on transaction dates.

Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Changes in the fair value of monetary financial assets denominated in foreign currency classified as AFS financial assets are analyzed between translation differences resulting from changes in the amortized cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortized cost are recognized in profit or loss, and other changes in the carrying amount are recognized in other comprehensive income.

2.14 Impairment of Non-financial Assets

The University's investments in subsidiaries and an associate, property and equipment, investment properties and other non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value reflecting market conditions less costs to sell, and value in use, based on an internal evaluation of discounted cash flows. In determining value in use, management estimates the expected future cash flows from each cash-generating unit and determines the suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the University's latest approved budget, adjusted as necessary to exclude the effects of asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risk factors. Impairment loss is charged pro-rata to the other assets in the cash-generating unit.

All assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment loss is reversed if the asset's or cash generating unit's recoverable amount exceeds its carrying amount.

2.15 Employee Benefits

The University provides post-employment benefits to employees through a defined contribution plan subject to compliance to a minimum guarantee required by Republic Act (RA) 7641, *The Retirement Pay Law*, which is accounted for as a defined benefit plan, and various compensations mandated by law. Such application of the minimum guarantee prescribed by RA 7641 is based on the interpretations issued by the Philippine Interpretations Committee (PIC) in its Question and Answer on PAS 19 – *Accounting for Employee Benefits Under a Defined Benefit Contribution Plan Subject to the Requirements of RA 7641*.

(a) Post-employment Benefits

The University maintains a defined contribution plan that covers all regular full-time employees. Under its plan, the University pays fixed contributions based on the employees' monthly salaries. The University, however, is covered by RA 7641, which provides for its qualified employees a defined benefit minimum guarantee. The defined benefit minimum guarantee is equivalent to a certain percentage of the monthly salary payable to an employee at normal retirement age with the required credited years of service based on the provisions of RA 7641.

Accordingly, the University recognizes its post-employment benefit obligation based on the higher of the defined benefit obligation relating to the minimum guarantee and the obligation arising from the defined contribution plan.

For defined benefit minimum guarantee plan, the liability is determined based on the present value of the excess of the projected defined benefit obligation over the projected defined contribution obligation at the end of the reporting period. The defined benefit obligation is calculated annually by a qualified independent actuary using the projected unit credit method. The University determines the net interest expense (income) on the defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to the defined benefit plan are recognized in profit or loss.

The defined contribution, on the other hand, is measured at the fair value of the defined contribution assets upon which the defined contribution benefits depend, with an adjustment for margin on asset returns, if any, where this is reflected in the defined contribution benefits.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The University recognizes gains or losses on the settlement of a defined benefit plan when the settlement occurs.

(b) Termination Benefits

Termination benefits are payable when employment is terminated by the University before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The University recognizes termination benefits when it is demonstrably committed to either: (a) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or, (b) providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the reporting period are discounted to their present value.

(c) *Bonuses*

The University recognizes a liability and an expense for bonuses. The University recognizes a provision where it is contractually obliged to pay the benefits, or where there is a past practice that has created a constructive obligation.

(d) *Compensated Absences*

Compensated absences are recognized for the number of paid leave days (including holiday entitlement) remaining at the end of the reporting period. These are included in the Trade and Other Payables account in the statement of financial position at the undiscounted amount that the University expects to pay as a result of the unused entitlement.

2.16 Borrowing Costs

Borrowing costs are recognized as expenses in the period in which they are incurred, except to the extent that they are capitalized. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (i.e., an asset that takes a substantial period of time to get ready for its intended use or sale) are capitalized as part of cost of such asset. The capitalization of borrowing costs commences when expenditures for the asset and borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalization ceases when substantially all such activities are complete.

2.17 Income Taxes

Tax expense recognized in profit or loss comprises the sum of current tax and deferred tax not recognized in other comprehensive income or directly in equity, if any.

Current tax assets or current tax liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the end of the reporting period. They are calculated using the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or current tax liabilities are recognized as a component of tax expense in profit or loss.

Deferred tax is accounted for using the liability method on temporary differences at the end of the reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Under the liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carryforward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the temporary differences can be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will be available to allow such deferred tax assets to be recovered.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, provided such tax rates have been enacted or substantively enacted at the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the University expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Most changes in deferred tax assets or deferred tax liabilities are recognized as a component of tax expense in profit or loss. Only changes in deferred tax assets or deferred tax liabilities that relate to items recognized in other comprehensive income or directly in equity are recognized in other comprehensive income or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are offset if the University has a legally enforceable right to set-off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

2.18 Related Party Transactions and Relationships

Related party transactions are transfers of resources, services or obligations between the University and its related parties, regardless of whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party in making financial and operating decisions. These parties include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the University; (b) associates; (c) individuals owning, directly or indirectly, an interest in the voting power of the University that gives them significant influence over the University and close members of the family of any such individual; and, (d) certain funded retirement plans administered by an organization, through its Retirement Board.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

2.19 Equity

Capital stock represents the nominal value of shares that have been issued.

Treasury stocks are stated at the cost of reacquiring such shares and are deducted from equity attributable to the University's equity holders until the shares are cancelled, reissued or disposed of.

Revaluation reserves comprise accumulated gains or losses arising from the revaluation of AFS financial assets.

Retained earnings represent all current and prior period results of operations as reported in the statement of profit or loss, reduced by the amount of dividend declared. The appropriated portion represents the amount which is not available for distribution.

2.20 Earnings (Loss) Per Share

Basic earnings (loss) per share is determined by dividing net profit (loss) by the weighted average number of shares subscribed and issued during the year after giving retroactive effect to stock dividend declared, stock split and reverse stock split during the current year, if any.

Diluted earnings (loss) per share is computed by adjusting the weighted average number of ordinary shares outstanding to assume conversion of dilutive potential shares. The University does not have dilutive potential shares outstanding that would require disclosure of diluted earnings per share in the statement of profit or loss.

2.21 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the University's chief operating decision-maker. However, in the University's separate financial statements, there are no operating segments that are organized and managed separately according to the nature of the services provided.

2.22 Events After the End of the Reporting Period

Any post-year-end event that provides additional information about the University's financial position at the end of the reporting period (adjusting event) is reflected in the financial statements. Post year-end events that are not adjusting events are disclosed when material to the financial statements.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the University's financial statements in accordance with PFRS requires management to make judgments and estimates that affect amounts reported in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately vary from these estimates.

3.1 Critical Management Judgments in Applying Accounting Policies

In the process of applying the University's accounting policies, management has made judgments, apart from those involving estimation. The following judgments have the most significant effect on the amounts recognized in the financial statements:

(a) Classification of Financial Assets as HTM Investments

In classifying non-derivative financial assets with fixed or determinable payments and fixed maturity, such as bonds and HTM investments, the University evaluates its intention and ability to hold such investments up to maturity. Management has confirmed its intention and determined its ability to hold the investments up to maturity. If the University fails to keep these investments to maturity other than for specific circumstances as allowed under the standard, it will be required to reclassify the whole class as AFS financial assets. In such a case, the investments would, therefore, be measured at fair value, not at amortized cost.

(b) Impairment of AFS Financial Assets

The determination when an investment is other-than-temporarily impaired requires significant judgment. In making this judgment, the University evaluates, among other factors, the significant and prolonged decline in the fair value of an investment below its cost, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows. The management considers more than 20% decline in fair value as significant and continuous decline in value beyond nine months to be prolonged.

Based on the recent evaluation of information and circumstances affecting the University's AFS Financial Assets, management concluded that the assets are not impaired as at May 31, 2018, 2017 and 2016. Future changes in those information and circumstance might significantly affect the carrying amount of the assets.

(c) Amortization of Leasehold Improvements

The University's leasehold improvements are amortized over 20 years, which is the estimated useful life of the asset (see Notes 2.6 and 14) regardless of the term of the lease contracts which is usually shorter than the expected useful life of the improvements because it is highly probable that the lease contract will be renewed before the end of such contract. A decision by management not to renew its lease agreement will result in a significant impact on its profit or loss in the period such decision is made.

(d) Distinction between Investment Properties and Owner-managed Properties

The University determines whether a property qualifies as investment property. In making its judgment, the University considers whether the property generates cash flows largely independent of the other assets held by an entity.

Owner-managed properties generate cash flows that are attributable not only to the property but also to other assets used in the process of providing educational services.

Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for use in the supply of services or for administrative purposes. If a portion can be sold separately (or leased out separately under finance lease), the University accounts for such portion separately. If the portion cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the supply of services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The University considers each property separately in making its judgment.

(e) Distinction between Operating and Finance Lease

The University has entered into various lease agreements as either a lessor or a lessee. Judgment was exercised by management to distinguish each lease agreement as either an operating or finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities. Currently, all of the University's lease agreements are determined to be operating leases.

(f) Recognition of Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. Accounting policies on recognition and disclosure of provisions and contingencies are discussed in Note 2.10 and relevant disclosures are presented in Note 27.

3.2 Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

(a) Estimating Impairment of Receivables

The University maintains an allowance for impairment loss on receivables at a level considered adequate to cover probable uncollectible receivables. The level of this allowance is evaluated by management on the basis of factors that affect the collectability of the accounts. These factors include, but are not limited to, history of the payment behavior of students and related parties, age of receivables and other external factors affecting the education industry. The University constantly reviews the age and status of receivables and identifies accounts that should be provided with allowance. The carrying value of receivables and the analysis of allowance for impairment on such financial assets are shown in Note 8.

(b) Determining Fair Value Measurement of Financial Assets other than Loans and Receivables

The University carries certain financial assets at fair value, which requires the extensive use of accounting estimates and judgment. In cases where active market quotes are not available, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net base of the instrument. The amount of changes in fair value would differ if the University utilized different valuation methods and assumptions. Any change in fair value of these financial assets would affect profit or loss and equity.

The carrying values of the University's AFS Financial Assets and the amounts of fair value changes recognized during the years on those assets are disclosed in Note 10. On the other hand, the carrying value of the cross-currency swap is disclosed in Note 9 while fair value gains or losses on cross-currency swap agreements are presented as Fair value gain or loss on financial asset at FVTPL under Finance Income or Finance Costs in the statement of profit or loss [see Note 2.4(a)].

(c) Estimating Useful Lives of Investment Properties and Property and Equipment

The University estimates the useful lives of investment properties and property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of these assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

The carrying amounts of investment properties and property and equipment are presented in Notes 13 and 14, respectively. Based on management's assessment as at May 31, 2018, 2017 and 2016, there is no change in the estimated useful lives of the assets during those periods. Actual results, however, may vary due to changes in factors mentioned above.

(d) Determining Fair Value of Investment Properties

Investment property is measured using the cost model. The fair value disclosed in Note 13 is determined by the University based on the appraisal report prepared by independent appraisers using the relevant valuation methodology as discussed in Note 6.4.

For investment properties with appraisal conducted prior to the end of the current reporting period, management determines whether there are significant circumstances during the intervening period that may require adjustments or changes in the disclosure of fair value of those properties.

A significant change in these elements may affect the prices and the value of the assets. As of May 31, 2018, 2017 and 2016 the University determined that there were no significant circumstances that may affect the fair value determination of investment properties.

(e) Estimating Impairment of Non-financial Assets

The University's policy on estimating the impairment of non-financial assets is discussed in detail in Note 2.14. Though management believes that the assumptions used in the estimation of recoverable amounts are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations. Based on management assessment, no impairment loss is required to be recognized on the University's investment properties, property and equipment, and investments in subsidiaries and an associate as of May 31, 2018, 2017 and 2016.

(f) Determining Recoverable Amount of Deferred Tax Assets

The University reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Management assessed that the deferred tax assets recognized as at May 31, 2018, 2017 and 2016 are fully recoverable because those will be fully utilized in the coming years. The carrying value of deferred tax assets as of those dates is disclosed in Note 22.

4. RISK MANAGEMENT OBJECTIVES AND POLICIES

The University is exposed to certain financial risks in relation to financial instruments. Its main purpose for its dealings in financial instruments is to fund operational and capital expenditures. The BOT has overall responsibility for the establishment and oversight of the University's risk management framework. It has a risk management committee headed by an independent trustee that is responsible for developing and monitoring the University's policies, which address risk management areas.

Management is responsible for monitoring compliance with the University's risk management policies and procedures and for reviewing the adequacy of these policies in relation to the risks faced by the University.

The University does not engage in trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the University is exposed to are described in the succeeding pages.

4.1 Market Risk

(a) Foreign Currency Risk

Most of the University's transactions are carried out in Philippine pesos, its functional currency. Exposures to currency exchange risk arise from certain cash and cash equivalents, AFS financial assets and HTM investments that are primarily denominated in United States (US) dollars.

To mitigate the University's exposure to foreign currency risk, the University entered in a cross-currency swap agreement and keeps the amount of its US dollar deposit at a minimum level.

Financial assets denominated in US dollar, translated into Philippine pesos at the closing rate, as of May 31 are presented below:

	2018	2017	2016
Short-term exposure – Financial assets	**P 25,940,365**	P 132,250,323	P 251,701,477
Long-term exposure – Financial assets	**P 567,854,333**	P 444,175,297	P 305,342,055

The following table illustrates the sensitivity of the University's profit or loss before tax with respect to changes in Philippine peso against US dollar exchange rates. The percentage changes in rates have been determined based on the average market volatility in exchange rates, using standard deviation, in the previous periods (for the periods ended May 31, 2018, 2017 and 2016) at a 68% confidence level.

	May 31, 2018 (One Year)			May 31, 2017 (One Year)			May 31, 2016 (Two Months)		
	Reasonably possible change in rate	**Effect in profit before tax**	**Effect in equity**	Reasonably possible change in rate	Effect in profit before tax	Effect in equity	Reasonably possible change in rate	Effect in loss before tax	Effect in equity
PhP - USD	**3.98%**	**P 23,633,029**	**P 21,269,726**	26.27%	P 151,427,010	P136,284,309	1.91%	(P 10,639,531)	(P 9,575,578)

Exposures to US dollar exchange risk vary during the year depending on the volume of foreign currency denominated transactions. Nonetheless, the analysis above is considered to be representative of the University's currency risk.

(b) Interest Rate Risk

The University's exposure to interest rate risk arises from the interest-bearing financial instruments as of end of each reporting period, which are subject to variable interest rates. All other financial assets and financial liabilities have fixed interest rates.

	Notes	**2018**	2017 [As Restated – see Note 2.1(d)]	2016 [As Restated – see Note 2.1(d)]
Cash and cash equivalents	7	**P 237,222,553**	P 319,600,228	P 545,377,957
AFS financial assets	10.1	**960,958,390**	1,015,595,234	1,298,780,386
Short-term investments	11	**52,993,469**	565,247	1,009,685
Interest-bearing loans	16	**(2,367,142,858)**	(1,880,000,000)	(1,480,000,000)
		(P 1,115,968,446)	(P 544,239,291)	P 365,168,028

The following table illustrates the sensitivity of profit or loss before tax for the periods with regard to the University's interest-bearing financial instruments. These percentages have been determined based on the average market volatility rates, using standard deviation, in the periods ended May 31, 2018, 2017 and 2016, estimated at 68% level of confidence. The sensitivity analysis is based on the University's financial instruments held at May 31, 2018, 2017 and 2016.

	May 31, 2018 (One Year)		May 31, 2017 (One Year) [As Restated – see Note 2.1(d)]		May 31, 2016 (Two Months) [As Restated – see Note 2.1(d)]	
	Reasonably possible change in rate	**Effect on profit before tax**	Reasonably possible change in rate	Effect on profit before tax	Reasonably possible change in rate	Effect on loss before tax
Cash and cash equivalents	**+/-0.19%**	**P 450,723**	+/-0.12%	P 383,520	+/-0.01%	(P 54,538)
AFS financial assets	**+/-1.42%**	**13,645,609**	+/-0.45%	4,570,179	+/-0.03%	(389,634)
Short-term investments	**+/-1.42%**	**752,507**	+/-0.45%	2,544	+/-0.03%	(303)
Interest-bearing loans	**+/-0.56%**	**(13,256,000)**	+/-0.58%	(10,904,000)	+/-0.27%	3,996,000
		P 1,592,839		(P 5,947,757)		P 3,551,525

(c) Other Price Risk

The University's exposure to price risk arises from its investments in equity securities, which are classified as part of the AFS Financial Assets account in the statements of financial position. These consist of publicly listed equity securities which are carried at fair value.

Management monitors its equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis.

For equity securities listed in the Philippines, an average volatility of 10.57%, 12.71% and 5.61% have been observed for the periods ended May 31, 2018, 2017 and 2016, respectively. If quoted price for these securities increased or decreased by that percentage, other comprehensive income (loss) would have changed by P79.3 million, P103.0 million and P41.7 million for the periods ended May 31, 2018, 2017 and 2016, respectively.

No sensitivity analysis was provided for government and corporate bonds, and investments in UITF classified as AFS financial assets as management deemed that the risk at the end of the period is not representative of a risk inherent in financial instruments.

The investments are considered medium to long-term strategic investments. In accordance with the University's policies, no specific hedging activities are undertaken in relation to these investments, except as discussed in Notes 9 and 10 in connection with its investment in certain foreign currency denominated corporate debt instruments which are subject to a cross-currency swap agreement. The investments are continuously monitored to ensure that returns of these equity instruments are timely utilized or reinvested in the University's favor.

4.2 Credit Risk

Credit risk represents the loss that the University would incur if the counterparty fails to perform its contractual obligations. The credit risk for cash and cash equivalents, short-term investments (presented as part of Other Current Assets) and AFS financial assets is considered negligible, since the counterparties are reputable financial institutions with high quality external credit ratings. Included in the cash and cash equivalents are cash in banks and short-term placements. These are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P0.5 million for every depositor per banking institution.

The University's exposure to credit risk on its receivables relates primarily to the inability of the debtors to pay and students to fully settle the unpaid balance of tuition fees and other charges which are owed to the University based on installment payment schemes. The University has established controls and procedures to minimize risks of non-collection. Students are not allowed to enroll in the following semester unless the unpaid balance in the previous semester has been paid. The University also withholds the academic records and clearance of the students with unpaid balances, thus ensuring that collectability is reasonably assured. The University's exposure to credit risk on its other receivables from debtors and related parties is managed through close account monitoring and setting limits.

The University has no significant exposure to any individual customer or counterparty nor it has any other concentration of credit risk arising from counterparties in similar business activities, geographic region or economic parties. Also, none of the University's financial assets are secured by collateral or other credit enhancements, except for cash and cash equivalents as described in the preceeding page.

With respect to credit risk arising from the financial assets below, the University's maximum exposure is equal to the carrying amount of these instruments. Other than the exposure to credit risk on the University's receivables from students, the risk is minimal as these financial assets and investments are with reputable corporations, financial institutions and/or with related parties.

The maximum exposure to credit risk at the end of the reporting period is as follows:

	Notes	**2018**	2017 [As Restated – see Note 2.1(d)]	2016 [As Restated – see Note 2.1(d)]
Cash and cash equivalents	7	**P 237,222,553**	P 319,600,228	P 545,377,957
Receivables – net	8	**563,345,014**	500,100,371	353,321,956
AFS financial assets (debt securities)	10	**960,958,390**	1,015,595,234	1,298,780,386
HTM investments	10	**297,284,616**	336,566,334	-
Short-term investments	11	**52,993,469**	565,247	1,009,685
Refundable deposits		**4,880,271**	5,377,630	5,377,630
		P 2,116,684,313	P 2,177,805,044	P 2,203,867,614

The following tables show the credit quality of the University's financial assets as of May 31, 2018, 2017 and 2016 having past due components:

	Notes	**Neither past due nor impaired**	**Past due and impaired**	**Total**
2018				
Cash and cash equivalents	7	P 237,222,553	P -	P 237,222,553
Receivables	8	536,841,848	26,503,166	563,345,014
AFS financial assets (debt securities)	10	960,958,390	-	960,958,390
HTM investments	10	297,284,616	-	297,284,616
Short-term investments	11	52,993,469	-	52,993,469
Refundable deposits		4,880,271	-	4,880,271
		P 2,090,181,147	**P 26,503,166**	**P 2,116,684,313**

	Notes	Neither past due nor impaired	Past due and impaired	Total
2017 [As Restated – see Note 2.1(d)]				
Cash and cash equivalents	7	P 319,600,228	P -	P 319,600,228
Receivables	8	467,480,892	32,619,479	500,100,371
AFS financial assets (debt securities)	10	1,015,595,234	-	1,015,595,234
HTM investments	10	336,566,334	-	336,566,334
Short-term investments	11	565,247	-	565,247
Refundable deposits		5,377,630	-	5,377,630
		P 2,145,185,565	P 32,619,479	P 2,177,805,044
2016 [As Restated – see Note 2.1(d)]				
Cash and cash equivalents	7	P 545,377,957	P -	P 545,377,957
Receivables	8	313,039,780	40,282,176	353,321,956
AFS financial assets (debt securities)	10	1,298,780,386	-	1,298,780,386
Short-term investments	11	1,009,685	-	1,009,685
Refundable deposits		5,377,630	-	5,377,630
		P 2,163,585,438	P 40,282,176	P 2,203,867,614

The University has no past due but unimpaired financial assets at end of each year.

The University classifies tuition and other school fees receivables from students based on the number of semesters the receivables have been outstanding. Receivables from students that are outstanding for more than one semester are analyzed to determine whether they are impaired. Those that are not outstanding for more than one semester or are classified as current receivable are determined to be fully collectible based on historical experience.

The University's management considers that all of its financial assets are not impaired, except those specifically provided with allowance for impairment at the end of the reporting period, and of good credit quality. Cash and cash equivalents, AFS financial assets, HTM investments and other short-term investments (presented as part of Other Current Assets) are coursed through reputable financial institutions duly approved by the BOT.

4.3 Liquidity Risk

The University manages liquidity risk by maintaining a balance between continuity of funding and flexibility. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. Management closely monitors the University's future and contingent obligations and ensures that future cash collections are sufficient to meet them in accordance with internal policies. The University invests in cash placements when excess cash is obtained from operations.

As at May 31, 2018, 2017 and 2016, the University's financial liabilities have contractual maturities (or are expected to be settled within these periods) which are presented below.

	Current		Non-current
	Within 6 Months	6 to 12 Months	1 to 5 Years
2018			
Trade and other payables	P 831,251,344	P -	P -
Interest-bearing loans	875,016,594	212,542,259	1,434,692,826
Advances from related party	85,800,000	-	-
Derivative liability	38,255,313	-	-
Subscription payable	-	500,000	-
	P 1,830,323,251	**P 213,042,259**	**P 1,434,692,826**
2017 [As Restated – see Note 2.1(d)]			
Trade and other payables	P 782,116,411	P -	P -
Interest-bearing loans	114,142,043	210,120,027	1,792,541,499
Derivative liability	33,365,459	-	-
Subscription payable	-	488,000,000	-
	P 929,623,913	P 698,120,027	P 1,792,541,499
2016 [As Restated – see Note 2.1(d)]			
Trade and other payables	P 588,994,341	P -	P -
Interest-bearing loans	19,553,973	12,473,015	1,556,549,902
Derivative liability	20,520,000	-	-
Subscription payable	-	94,250,000	-
	P 629,068,314	P 106,723,015	P 1,556,549,902

The contractual maturities presented above reflect the gross cash flows, which may differ from the carrying values of the liabilities at the end of the reporting period.

5. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

5.1 Carrying Amounts and Fair Values by Category

The carrying amounts and fair value of financial assets and financial liabilities measured at fair value and amortized cost, and an investment carried at amortized cost but whose fair value is required to be disclosed are shown below.

		2018		2017		2016	
	Notes	**Carrying Values**	**Fair Values**	Carrying Values	Fair Values	Carrying Values	Fair Values
Financial Assets:							
AFS financial assets:	10						
Debt securities		**P 960,958,390**	**P 960,958,390**	P 1,015,595,234	P 1,015,595,234	P 1,298,780,386	P 1,298,780,386
Equity securities		**1,158,533,287**	**1,158,533,287**	1,124,059,600	1,124,059,600	1,171,396,383	1,171,396,383
		2,119,491,677	**2,119,491,677**	2,139,654,834	2,139,654,834	2,470,176,769	2,470,176,769
HTM investments – Debt securities	10	**297,284,616**	**301,671,306**	336,566,334	343,972,540	-	-
		P 2,416,776,293	**P 2,421,162,983**	P 2,476,221,168	P 2,483,627,374	P 2,470,176,769	P 2,470,176,769
Financial Liabilities:							
At amortized cost – Interest-bearing loans	16	**P 2,367,142,858**	**P 2,280,240,097**	P 1,880,000,000	P 1,757,704,848	P 1,480,000,000	P 1,477,063,266
Derivative liability – Cross-currency swaps	9	**38,255,313**	**38,255,313**	33,365,459	33,365,459	20,520,000	20,520,000
		P 2,405,398,171	**P 2,318,495,410**	P 1,913,365,459	P 1,791,070,307	P 1,500,520,000	P 1,497,583,266

Except for the financial assets and financial liabilities presented in the preceeding page, the University has financial assets and/or financial liabilities that are not carried at fair value but are required to be disclosed at fair value as of May 31, 2018, 2017 and 2016 (see Note 6.3). Management determined that the carrying amounts of the other financial instruments that are carried at amortized costs are equal to or approximate their fair values; hence, no further comparison between the carrying amounts and fair values is presented.

See Notes 2.4 and 2.8 for a description of the accounting policies for each category of financial instruments. A description of the University's risk management objectives and policies for financial instruments is provided in Note 4.

5.2 Offsetting of Financial Assets and Financial Liabilities

The amounts of University's cash in bank, which is presented as part of the Cash and Cash Equivalents account, and portion of Short-term investments under the Other Current Assets account in the statements of financial position (see Notes 7 and 11) are subject to offsetting, enforceable master netting arrangements and similar agreements as at May 31, 2018, 2017 and 2016, as presented below.

	Gross amounts recognized in the statements of financial position		Net amount presented in the statements of financial position	Related amounts that can potentially be set-off in the statements of financial position		
	Financial assets	Financial liabilities set-off		Financial instruments	Cash collateral received	Net amount
2018	**P 174,320,621**	**P -**	**P 174,320,621**	**(P2,367,142,858)**	**P -**	**(P 2,192,822,237)**
2017	P 15,288,499	P -	P 15,288,499	(P 1,880,000,000)	P -	(P 1,864,711,501)
2016	P 64,715,055	P -	P 64,715,055	(P 1,480,000,000)	P -	(P 1,415,284,945)

For financial assets and financial liabilities subject to enforceable master netting agreements or similar arrangements above, each agreement between the University and its counterparties (i.e., depository bank) allows for net settlement of the relevant financial assets and financial liabilities (i.e., interest-bearing loans) when both elect to settle on a net basis.

All other financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (i.e., related parties) will have the option to settle all such amounts on a net basis through the approval by both parties' BOT or Board of Directors (BOD). As such, the University's outstanding receivables from and payables to the same related parties can potentially be offset to the extent of their corresponding outstanding balances.

6. FAIR VALUE MEASUREMENT AND DISCLOSURES

6.1 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement,* the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value. The levels of the fair value hierarchy are as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurable date;

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

For investments which do not have quoted market price, the fair value is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market of another instrument which is substantially the same after taking into account the related credit risk of counterparties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When the University uses valuation technique, it maximizes the use of observable market data where it is available and relies as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

6.2 Financial Instruments Measurement at Fair Value

The following tables show the fair value hierarchy of the University's classes of financial assets and financial liabilities measured at fair value in the statements of financial position on a recurring basis as of:

	Level 1	Level 2	Level 3	Total
May 31, 2018				
AFS financial assets:				
Debt securities:				
Government	P 240,339,612	P -	P -	P 240,339,612
Corporate	720,618,778	-	-	720,618,778
Equity securities	750,072,034	408,461,253	-	1,158,533,287
	P 1,711,030,424	**P 408,461,253**	**P -**	**P 2,119,491,677**
Derivative liability – Cross-currency swaps	**P -**	**(P 38,255,313)**	**P -**	**(P 38,255,313)**
May 31, 2017				
AFS financial assets:				
Debt securities:				
Government	P 413,651,744	P -	P -	P 413,651,744
Corporate	601,943,490	-	-	601,943,490
Equity securities	810,337,410	313,722,190	-	1,124,059,600
	P 1,825,932,644	P 313,722,190	P -	P 2,139,654,834
Derivative liability – Cross-currency swaps	P -	(P 33,365,459)	P -	(P 33,365,459)

	Level 1	Level 2	Level 3	Total
May 31, 2016				
AFS financial assets:				
Debt securities:				
Government	P 411,845,035	P -	P -	P 411,845,035
Corporate	886,935,351	-	-	886,935,351
Equity securities	743,334,780	428,061,603	-	1,171,396,383
	P 2,042,115,166	P 428,061,603	P -	P 2,470,176,769
Derivative liability –				
Cross-currency swaps	P -	(P 20,520,000)	P -	(P 20,520,000)

There were neither transfers between levels nor changes in levels of classification of instruments in all years presented.

Following are the information about how the fair values of the University's classes of financial assets and financial liabilities are determined:

a) Equity securities

As of May 31, 2018, 2017 and 2016, instruments included in Level 1 comprise of corporate shares which are classified as AFS financial assets. The corporate shares were valued based on their market prices quoted in the PSE at the end of each reporting period. On the other hand, certain underlying assets of the UITF are in equity securities. Thus, UITF is included in Level 2 and valued based on the Net Asset Value per unit (NAVPU) of the fund, as computed by the banks. NAVPU is computed by dividing the total fair value of the fund by the total number of units at the end of each reporting period.

b) Debt securities

The fair value of the University's debt securities which consist of government and corporate bonds is estimated by reference to quoted bid price in active market at the end of the reporting period and is categorized within Level 1.

c) Derivatives

Derivatives classified as financial assets at FVTPL are included in Level 2 as their prices are not derived from market considered as active due to lack of trading activities among market participants at the end or close to the end of the reporting period.

6.3 Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

As of May 31, 2018 and 2017 (nil as of May 31, 2016), the fair value of debt securities categorized as HTM investments amounts to P301.7 million and P344.0 million, respectively, which is Level 1 in the hierarchy of fair values (see Note 5.1).

Other than the HTM investments and interest-bearing loans, management determined that due to the short-term duration of the other University's financial assets and financial liabilities measured at amortized cost, as described in Notes 2.4 and 2.8, their fair values as at May 31, 2018, 2017 and 2016 equal or approximate their carrying amounts. Accordingly, the University did not anymore present a comparison of their fair values with their carrying amounts and, correspondingly, their level in the hierarchy. Nevertheless, if presented in the hierarchy, only Cash and Cash Equivalents and Short-term investments (presented under Other Current Assets) would fall under Level 1 and the rest would be under Level 3.

6.4 Fair Value Measurement for Non-financial Assets

(a) Determining Fair Value of Investment Properties

The table below shows the Levels within the hierarchy of non-financial assets measured at fair value on a recurring basis as of May 31, 2018, 2017 and 2016 (see Note 13).

	Level 1	Level 2	Level 3	Total
May 31, 2018				
Land	P -	P -	P 2,335,840,000	P 2,335,840,000
Building and improvements	-	-	376,311,000	376,311,000
	P -	**P -**	**P 2,712,151,000**	**P 2,712,151,000**
May 31, 2017 and 2016				
Land	P -	P -	P 1,437,440,000	P 1,437,440,000
Building and improvements	-	-	340,389,000	340,389,000
	P -	P -	P 1,777,829,000	P 1,777,829,000

The fair values of the University's investment properties are determined on the basis of the latest appraisals performed by an independent appraiser in August 2018 covering the year ended May 31, 2018, and in July 2016 covering the periods ended May 31, 2017 and 2016, with appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. To some extent, the valuation process was conducted by the appraiser in discussion with the University's management with respect to the determination of the inputs such as the size, age, and condition of the land and buildings, and the comparable prices in the corresponding property location with an average of 5% to 10% adjustment.

In estimating the fair value of these properties, management takes into account the market participant's ability to generate economic benefits by using the assets in their highest and best use. Based on management assessment, the best use of the University's non-financial assets indicated above is their current use.

The fair values of these non-financial assets were determined based on the following approaches:

(i) Fair Value Measurement for Land

The Level 3 fair value of land was determined using the income approach which is performed with values derived using a discounted cash flow model. The income approach uses future free cash flow projections and discounts them to arrive at a present value. The discount rate is based on the level of risk of the business opportunity and costs of capital. The most significant inputs into this valuation approach are the estimated annual cash inflow and outgoing expenses.

(ii) Fair Value Measurement for Building and Improvements

The Level 3 fair value of the buildings and improvements included under the Investment Property account was determined using the cost approach that reflects the cost to a market participant to construct an asset of comparable usage, construction standards, design and layout, adjusted for obsolescence. The more significant inputs used in the valuation include direct and indirect costs of construction such as but not limited to, labor and contractor's profit, materials and equipment, surveying and permit costs, electricity and utility costs, architectural and engineering fees, insurance and legal fees.

These inputs were derived from various suppliers and contractor's quotes, price catalogues, and construction price indices. Under this approach, higher estimated costs used in the valuation will result in higher fair value of the properties.

There has been no change to the valuation techniques used by the University during the year for its non-financial assets. Also, there were no transfers into or out of the different levels of the fair value hierarchy as of May 31, 2018, 2017 and 2016.

The carrying amount of investment properties included in Level 3 is presented in Note 13.

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components as of:

	2018	2017	2016
Cash on hand and in banks	**P 237,141,055**	P 184,822,802	P 252,599,180
Short-term placements	**81,498**	134,777,426	292,778,777
	P 237,222,553	P 319,600,228	P 545,377,957

Cash in banks generally earn interest based on daily bank deposit rates. Short-term placements are made for varying periods of up to three months depending on the immediate cash requirements of the University.

Effective annual interest earned from these placements is as follows:

	2018	2017	2016
Peso	**0.8% to 0.9%**	0.8% to 1.0%	0.8% to 1.8%
Dollar	**1.0%**	1.0%	0.8%

Interest income earned from cash and cash equivalents is presented as part of Finance Income in the statements of profit or loss (see Note 19.1). The related interest receivable from short-term placements as of May 31, 2018, 2017 and 2016 is presented as part of Accrued interest under the Receivables account in the statements of financial position (see Note 8).

8. RECEIVABLES

This account is composed of the following:

	Notes	2018	2017 [As Restated – see Note 2.1(d)]	2016 [As Restated – see Note 2.1(d)]
Receivables from related parties	23	**P 330,486,042**	P 251,443,280	P 80,114,926
Tuition and other school fees receivables		**242,380,288**	268,964,472	272,384,667
Advances to employees		**10,964,599**	6,103,290	5,106,323
Accrued interest	7, 10, 11	**5,329,704**	10,696,702	40,396,371
Others		**11,652,146**	1,615,396	708,168
		600,812,779	538,823,140	398,710,455
Allowance for impairment on tuition and other school fees receivables		**(26,503,166)**	(32,619,479)	(40,282,176)
		P 574,309,613	P 506,203,661	P 358,428,279

Advances to employees comprise of unsecured and noninterest-bearing advances to officers and employees which are liquidated or payable through salary deduction within 15 days from the earlier between the release of the advances and the event to which the advances are utilized.

A reconciliation of the allowance for impairment loss on receivables at the beginning and end of May 31, 2018, 2017 and 2016 is presented below.

	Note	2018	2017	2016
Balance at beginning of period		**P 32,619,479**	P 40,282,176	P 40,282,176
Impairment losses during the period	18	**33,441,829**	27,256,489	-
Receivables written off during the period		**(39,558,142)**	(34,919,186)	-
Balance at end of period		**P 26,503,166**	P 32,619,479	P 40,282,176

All of the University's receivables had been reviewed for indicators of impairment. Full allowance is provided for receivables from uncollected tuition fees of the previous school term when the specific student from whom it is due does not enroll in the succeeding school term. During the periods ended May 31, 2018, 2017 and 2016, certain tuition and other school fees receivables were found to be impaired and corresponding impairment loss is recognized and presented as part of General expenses under Operating Expenses in the statements of profit or loss (see Note 18). The allowance for impairment loss on receivables from students as of May 31, 2018, 2017 and 2016 pertains to amounts which have been outstanding for more than one semester and specifically identified to be impaired.

No allowance for impairment loss on all other receivables is provided as of May 31, 2018, 2017 and 2016 since management believes that those are collectible in full. However, during the year ended May 31, 2017, management identified certain accrued interest amounting to P24.5 million that are no longer reasonable, hence, was written off. It was presented as Loss on write-off of receivable under Finance Costs in the 2017 statement of profit or loss (see Note 19.2).

Others significantly include amounts due from brokers that are receivable by the University's trust funds.

9. CROSS-CURRENCY SWAPS

The University entered into cross-currency swaps to hedge its foreign currency exposure related to its foreign currency denominated investments in corporate bonds which were reclassified from AFS Financial Assets to HTM Investments in fiscal year 2017 (see Note 10). As of May 31, 2018, 2017 and 2016, the fair value of these cross-currency swaps amounting to P38.3 million, P33.4 million and P20.5 million, respectively, is presented as Derivative Liability in the statements of financial position. The related fair value losses are presented as Fair value loss on derivative liability under Finance Costs in the statements of profit or loss (see Note 19.2).

Being denominated in foreign currency, the related interest receivable from cross-currency agreement has been adjusted to the prevailing exchange rate resulting in the recognition of cross-currency loss amounting to P0.3 million, P0.7 million and P0.2 million for the periods ended May 31, 2018, 2017 and 2016, respectively, which is recognized as part of Fair value loss on derivative liability under Finance Costs in the statements of profit or loss (see Notes 19.2).

10. FINANCIAL ASSETS

10.1 Available-for-sale Financial Assets

AFS financial assets, which are investments maintained in trust funds, are classified in the statements of financial position as follows:

	2018	2017	2016
Current	**P 2,119,491,677**	P 2,139,654,834	P 2,156,987,745
Non-current	**-**	-	313,189,024
	P 2,119,491,677	P 2,139,654,834	P 2,470,176,769

The types of investments classified under AFS financial assets consist of the following:

	2018	2017	2016
Debt securities:			
Government	**P 240,339,612**	P 413,651,744	P 411,845,035
Corporate	**720,618,778**	601,943,490	886,935,351
	960,958,390	1,015,595,234	1,298,780,386
Equity securities:			
Corporate shares	**750,072,034**	810,337,410	743,334,780
UITF	**408,461,253**	313,722,190	428,061,603
	1,158,533,287	1,124,059,600	1,171,396,383
	P 2,119,491,677	P 2,139,654,834	P 2,470,176,769

Government securities bear annual interest rates ranging from 2.13% to 12.13% in 2018, 2.13% to 5.10% in 2017, and 2.13% to 12.13% in 2016. Corporate bonds bear interest ranging from 3.20% to 6.88% in 2018, 1.25% to 6.15% in 2017, and 3.87% to 9.33% in 2016.

The fair values of the equity securities and debt securities have been determined based on quoted prices in active markets (see Note 6.2).

The breakdown of quoted AFS financial assets as to currency denomination is as follows:

	2018	2017	2016
Local	**P 1,833,921,960**	P 1,987,045,871	P 2,164,834,714
Foreign	**285,569,717**	152,608,963	305,342,055
	P 2,119,491,677	P 2,139,654,834	P 2,470,176,769

As of March 31, 2016, portion of the foreign currency denominated AFS financial assets amounting to P335.8 million pertain to certain corporate bonds which are subject to cross-currency swap agreement with a term coinciding with that of the term of the said bonds (see Note 9). In 2017, the University reclassified these AFS financial assets as HTM investments (see Note 10.2).

An analysis of the movements in the carrying amounts of the University's investments is presented below.

	2018	2017	2016
Balance at beginning of period	**P 2,139,654,834**	P 2,470,176,769	P 2,460,019,937
Additions	**2,608,753,050**	2,723,820,161	339,421,390
Disposals	**(2,558,270,287)**	(2,695,618,050)	(345,956,667)
Fair value gains (losses) – net	**(70,645,920)**	(22,876,307)	16,692,109
Reclassification to HTM investments (see Note 10.2)	**-**	(335,847,739)	-
Balance at end of period	**P 2,119,491,677**	P 2,139,654,834	P 2,470,176,769

Investment income from AFS financial assets, which includes dividend income, gain or loss on disposal and realized fair value gains or losses, totaling P97.2 million, P81.7 million and P15.6 million for the periods ended May 31, 2018, 2017 and 2016, respectively, has been reinvested as part of additions to AFS financial assets and is presented separately as Interest income from AFS financial assets and as Other investment income from AFS financial assets under Finance Income in the statements of profit or loss (see Note 19.1). The related outstanding interest is presented as part of Accrued interest under the Receivables account in the statements of financial position (see Note 8).

The total cumulative fair value gains amounting to P29.6 million, P9.0 million and P3.3 million for the periods ended May 31, 2018, 2017 and 2016, respectively, which are reclassified from equity to profit or loss as a result of disposal of certain AFS financial assets, are presented as Fair Value Gains Reclassified to Profit or Loss in the statements of comprehensive income.

10.2 Held-to-maturity Investments

As of May 31, 2018 and 2017, the University's HTM investments are classified in the statements of financial position as follows:

	2018	2017
Current	**P -**	P 95,148,019
Non-current	**297,284,616**	241,418,315
	P 297,284,616	P 336,566,334

In 2017, the Group reclassified certain AFS financial assets with total fair value of P335.8 million as of date reclassification to HTM investments because it intends to hold these debt securities until maturity. A portion of these reclassified bonds are still held by the University with carrying values of P190.5 million and P238.5 million as of May 31, 2018 and 2017, respectively, and has fair values of P251.5 million and P344.0 million as of May 31, 2018 and 2017, respectively. There was no reclassification made during the year ended May 31, 2018.

Corporate bonds, with maturities ranging from one to 32 years, consist of peso and US dollar-denominated bonds issued by various local and foreign companies which bear fixed interest rates ranging from 3.2% to 7.4% per annum.

The breakdown of HTM investments as to currency denomination is as follows:

	2018	2017
Local	**P 15,000,000**	P 45,000,000
Foreign	**282,284,616**	291,566,334
	P 297,284,616	P 336,566,334

As of May 31, 2018 and 2017, certain foreign currency denominated HTM investments amounting to P190.5 million and P238.5 million, respectively, are subject to cross-currency swap agreement with a term coinciding with that of the term of the said bonds (see Note 9).

An analysis of the movements in the carrying amount of the University's HTM investments for the years ended May 31, 2018 and 2017 is presented below.

	2018	2017
Balance at beginning of year	**P 336,566,334**	P -
Additions	**52,500,099**	15,000,000
Maturities	**(102,743,344)**	(30,297,340)
Amortization of discount – net	**(4,212,352)**	(3,788,706)
Foreign currency gains – net	**15,173,879**	19,804,641
Reclassifications from AFS financial assets (see Note 10.1)	**-**	335,847,739
	P 297,284,616	P 336,566,334

As of May 31, 2018 and 2017, the unamortized discount relating to HTM investments amounts to P6.9 million and P9.8 million, respectively. Net amortization of discount during the years ended May 31, 2018 and 2017, amounting to P4.2 million and P3.8 million, respectively, is recorded as net of Other investment income from AFS financial assets and HTM investments (see Note 19.1).

11. PREPAYMENTS AND OTHER CURRENT ASSETS

The breakdown of this account is as follows:

	2018	2017 [As Restated – see Note 2.1(d)]	2016 [As Restated – see Note 2.1(d)]
Short-term investments	**P 52,993,469**	P 565,247	P 1,009,685
Prepaid expenses	**38,304,928**	38,905,301	16,224,271
Input VAT	**20,341,354**	17,768,995	15,834,323
Others	**4,738,541**	13,314,029	8,186,705
	116,378,292	70,553,572	41,254,984
Allowance for impairment of input VAT	**(10,980,897)**	(10,980,897)	(10,980,897)
	P 105,397,395	P 59,572,675	P 30,274,087

Short-term investments, which consist of special savings deposits and investment in special deposit accounts, earn interest ranging from 1.0% to 3.55%, from 0.64% to 1.80%, and from 0.63% to 1.80% for the periods ended May 31, 2018, 2017 and 2016, respectively. These investments are maturing beyond three months but within one year from the end of each of the reporting period. Related accrued interest is presented as part of the Receivables account in the statements of financial position (see Note 8).

Prepaid expenses mainly consist of prepaid income taxes, rentals and supplies.

Others significantly include merchandise inventory items relating to the University's book store.

12. INVESTMENTS IN SUBSIDIARIES AND AN ASSOCIATE

This account consists of the following as of May 31:

	Explanatory Notes	% Interest Held	2018	2017 [As Restated – see Note 2.1(d)]	2016 [As Restated – see Note 2.1(d)]
Investments in:					
Subsidiaries:					
Roosevelt College, Inc. (RCI)	12.1	97.43%	**P 1,012,418,769**	P 1,012,418,769	P 832,273,805
FEU Alabang, Inc. (FEUAI)	12.2	100%	**749,999,875**	749,999,875	99,999,875
East Asia Computer Center, Inc. (EACCI)		100%	**150,104,999**	150,104,999	150,104,999
Fern Realty Corporation (FRC)		37.52%	**64,419,300**	64,419,300	64,419,300
Far Eastern College – Silang, Inc. (FECSI)		100%	**51,000,000**	51,000,000	51,000,000
FEU High School, Inc. (FEU High)	12.3	100%	**9,999,500**	9,999,500	9,999,500
Associate –					
Juliana Management Company, Inc. (JMCI)	12.4	49%	**7,878,120**	7,878,120	7,878,120
			P 2,045,820,563	P 2,045,820,563	P 1,215,675,599

Details of subscription payable as of May 31 are as pertain to the following investments:

	2018	2017 [As Restated – see Note 2.1(d)]	2016 [As Restated – see Note 2.1(d)]
FEU High	**P 500,000**	P 500,000	P 500,000
FEUAI	**-**	487,500,000	93,750,000
	P 500,000	P 488,000,000	P 94,250,000

Movement in the University's subscription payable is presented below.

	2018	2017 [As Restated – see Note 2.1(d)]	2016 [As Restated – see Note 2.1(d)]
Balance at beginning of period	**P 488,000,000**	P 94,250,000	P 94,250,000
Repayments	**(487,500,000)**	(256,250,000)	-
Additional subscription during the period	**-**	650,000,000	-
Balance at end of period	**P 500,000**	P 488,000,000	P 94,250,000

Their place of incorporation which is similar to the place where they operate are summarized as follows:

RCI	-	J.P. Rizal Street, Lamuan, Marikina City
FEUAI	-	Lot 1, Corporate Woods cor. South Corporate Avenues, Woods District, Filinvest City, Alabang, Muntinlupa City
EACCI	-	P. Paredes Street, Sampaloc, Manila
FRC	-	Administration Building, FEU Compound, Nicanor Reyes, Sr. Street, Sampaloc, Manila
FECSI	-	Metrogate Silang Estates, Silang, Cavite
FEU High	-	Nicanor Reyes Street, Sampaloc, Manila
JMCI	-	E. Rodriguez Jr. Avenue corner Cpl. Cruz St., Bagong Ilog, Pasig City

Similar to the University, RCI, FEUAI, EACCI and FECSI were established to operate as educational institutions offering general courses of study. FRC, on the other hand, operates as a real estate company leasing most of its investment properties to the University and other related parties.

FEUAI will only be conferred as a school by the Department of Education and Commission on Higher Education only after the construction of its school building (see Note 13). As of May 31, 2018, FEUAI is the only subsidiary of the University that has not yet started commercial operations. Subsequent to the end of the fiscal year, FEUAI started its operations in August 2018.

On June 24, 2014, FEU High was established to offer and conduct enhanced basic education programs. In 2017, the subsidiary started its operation as Senior High School in response to the implementation of the K-12 program.

Although the University holds less than 50% of the voting shares of stock of FRC, it has control over FRC because it is exposed or has right to variable returns from its involvement with FRC and it has the ability to affect those returns through its power over FRC. It is able to do this primarily because the University has the power to cast the majority of votes at meetings of FRC's BOD and elect its officers. Accordingly, FRC is recognized as a subsidiary of the University.

The shares of stocks of the subsidiaries and associate are not listed in the PSE; hence, the fair value of the shares cannot be determined reliably. However, management believes that the carrying amounts of the investments as of May 31, 2018, 2017 and 2016 are fully recoverable.

During the years ended May 31, 2018 and 2017, the University earned dividends from FEU High, EACCI and FRC totaling P62.5 million and P32.5 million, respectively, as detailed below (see Notes 19.1 and 23.1). No similar transaction occurred with any of the University's subsidiaries during the period ended May 31, 2016.

	2018	2017
FEU High	**P 29,998,500**	P -
EACCI	**25,839,867**	25,839,867
FRC	**6,672,998**	6,672,998
	P 62,511,365	P 32,512,865

12.1 Investment in RCI

On May 12, 2016, pursuant to the Share Purchase Agreement (SPA) entered into between FEU and the selling stockholders of RCI for the sale and purchase of 99.42% of RCI's issued and outstanding shares, the University acquired a total of 235,427 shares of stock of RCI. The acquired shares account for 79.72% of the total outstanding shares of RCI, thereby, making it a subsidiary of the University as of May 31, 2016.

During the year ended May 31, 2017, the University acquired additional 52,349 shares of stock of RCI from various selling stockholders of RCI. The additional shares are equivalent to 17.73% of the total outstanding shares of RCI. As of May 31, 2018 and 2017, the University owns 97.43% of RCI's total outstanding shares.

12.2 Investment in FEUAI

During the year ended May 31, 2017, the University fully paid its original subscription to 187,500 shares of stock of FEUAI amounting to P18.8 million. The University also subscribed and paid for the remaining 750,000 shares of FEUAI's authorized capital stock amounting to P75.0 million.

On the other hand, in February 2017, the SEC approved the increase in authorized capital stock of FEUAI. The University subscribed to the increase in authorized common stock of FEUAI totaling 6.5 million shares and of which P162.5 million have been paid as of May 31, 2017.

During the year ended May 31, 2018, the University fully paid the remaining balance from its additional subscription in 2017, which amounted to P487.5 million.

12.3 Investment in FEU High

In the fiscal year 2015, the University subscribed to 100,000 shares of FEU High, equivalent to P10.0 million, of which P2.5 million was paid in the same year. In the fiscal year 2016, the University paid P7.0 million of the unpaid subscription price of P7.5 million. No additional investments were made in 2018 and 2017.

12.4 Investment in an Associate

Presented below is JMCI's summary of financial information based on its most recent audited financial statements as of and for the years ended December 31.

	2017	2016	2015
Total assets	**P 14,958,961**	P 15,055,546	P 15,007,308
Total liabilities	**1,811,410**	1,714,370	1,521,370
Total equity	**13,147,551**	13,341,176	13,485,938
Net loss	**193,625**	144,762	143,072

JMCI was established to provide management and technical advice, assistance and services to commercial, manufacturing and other kinds of enterprises.

As of May 31, 2018, 2017 and 2016, management believes that the recoverable amount of its investment in JMCI is higher than its carrying value.

13. INVESTMENT PROPERTIES

This account consists of the building being leased out to FECSI, and a land that will be leased out to FEUAI upon completion of the latter's construction of its school building in the said property.

The gross carrying amounts and accumulated depreciation of investment properties at the beginning and end of the periods ended May 31, 2018, 2017 and 2016 are as follows:

	Land	**Building and Improvements**	**Construction in Progress**	**Total**
May 31, 2018				
Cost	P 1,076,829,849	P 428,436,741	P -	P 1,505,266,590
Accumulated depreciation	-	(125,143,950)	-	(125,143,950)
Net carrying amount	**P 1,076,829,849**	**P 303,292,791**	**P -**	**P 1,380,122,640**
May 31, 2017				
Cost	P 1,076,829,849	P 428,436,741	P -	P 1,505,266,590
Accumulated depreciation	-	(103,723,013)	-	(103,723,013)
Net carrying amount	P 1,076,829,849	P 324,713,728	P -	P 1,401,543,577
May 31, 2016				
Cost	P 1,076,829,849	P 427,854,543	P 10,879,908	P 1,515,564,300
Accumulated depreciation	-	(82,310,760)	-	(82,310,760)
Net carrying amount	P 1,076,829,849	P 345,543,783	P 10,879,908	P 1,433,253,540

A reconciliation of the carrying amounts of investment properties at the beginning and end of the periods ended May 31, 2018, 2017 and 2016 is shown below.

	Land	Building and Improvements	Construction in Progress	Total
Balance at June 1, 2017, net of accumulated depreciation	P 1,076,829,849	P 324,713,728	P -	P 1,401,543,577
Depreciation charges for the year	-	(21,420,937)	-	(21,420,937)
Balance at May 31, 2018, net of accumulated depreciation	**P 1,076,829,849**	**P 303,292,791**	**P -**	**P 1,380,122,640**
Balance at June 1, 2016, net of accumulated depreciation	P 1,076,829,849	P 345,543,783	P 10,879,908	P 1,433,253,540
Reclassifications	-	-	(10,879,908)	(10,879,908)
Additions	-	582,198	-	582,198
Depreciation charges for the year	-	(21,412,253)	-	(21,412,253)
Balance at May 31, 2017, net of accumulated depreciation	P 1,076,829,849	P 324,713,728	P -	P 1,401,543,577
Balance at April 1, 2016, net of accumulated depreciation	P 1,072,882,532	P 348,629,171	P 10,879,908	P 1,432,391,611
Additions	3,947,317	478,000	-	4,425,317
Depreciation charges for the period	-	(3,563,388)	-	(3,563,388)
Balance at May 31, 2016, net of accumulated depreciation	P 1,076,829,849	P 345,543,783	P 10,879,908	P 1,433,253,540

The total rental income earned from investment properties is presented as Other Operating Income in the statement of profit or loss (see Notes 23.5, 23.6 and 23.9). The direct operating expenses, which include depreciation and amortization, insurance, and taxes and licenses incurred by the University relating to the investment properties, are presented as part of Depreciation and amortization, Property insurance, and Taxes and licenses, respectively, under Operating Expenses in the statements of profit or loss (see Note 18).

Prior to June 1, 2016, the University incurred various costs for master-planning, soil testing and environmental consultancy, and architectural and engineering design services for the campus that will be constructed and leased out to FEUAI. Such costs were recorded as part of Construction in progress. However, in fiscal year 2017, management changed its original plan and allowed FEUAI to construct and own the campus instead. Accordingly, as agreed between the parties, all previously capitalized construction costs totaling P10.9 million will be reimbursed by FEUAI, hence, were reclassified to Advances to FEUAI in the 2017 statement of financial position (see Note 23.2).

Based on the latest appraisal report obtained from an independent appraiser, management determined that the total fair value of investment properties amounts to P2.7 billion as of May 31, 2018. Information about the fair value measurement and disclosures related to investment properties are presented in Note 6.4.

14. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization at the beginning and end of periods ended May 31, 2018, 2017 and 2016 are shown below.

	Land	Building and Improvements	Furniture and Equipment	Leasehold Improvements	Miscellaneous Equipment	Construction in Progress	Total
May 31, 2018							
Cost	P 389,229,440	P 1,588,350,527	P 503,710,712	P 854,298,895	P 176,913,118	P 38,735,488	P 3,551,238,180
Accumulated depreciation and amortization	-	(692,549,957)	(410,863,785)	(183,949,503)	(147,033,646)	-	(1,434,396,891)
Net carrying amount	**P 389,229,440**	**P 895,800,570**	**P 92,846,927**	**P 670,349,392**	**P 29,879,472**	**P 38,735,488**	**P 2,116,841,289**
May 31, 2017							
Cost	P 312,398,552	P 1,581,152,444	P 450,901,325	P 769,822,117	P 167,535,886	P 12,046,536	P 3,293,856,860
Accumulated depreciation and amortization	-	(614,956,589)	(354,593,590)	(144,055,998)	(136,617,724)	-	(1,250,223,901)
Net carrying amount	P 312,398,552	P 966,195,855	P 96,307,735	P 625,766,119	P 30,918,162	P 12,046,536	P 2,043,632,959
May 31, 2016							
Cost	P 193,585,494	P 1,551,832,439	P 413,323,209	P 605,536,250	P 162,293,332	P -	P 2,926,570,724
Accumulated depreciation and amortization	-	(537,799,873)	(298,151,933)	(110,072,168)	(122,977,623)	-	(1,069,001,597)
Net carrying amount	P 193,585,494	P 1,014,032,566	P 115,171,276	P 495,464,082	P 39,315,709	P -	P 1,857,569,127

A reconciliation of the carrying amounts of property and equipment at the beginning and end of periods ended May 31, 2018, 2017 and 2016 is shown below.

	Land	Building and Improvements	Furniture and Equipment	Leasehold Improvements	Miscellaneous Equipment	Construction in Progress	Total
Balance at June 1, 2017, net of accumulated depreciation and amortization	P 312,398,552	P 966,195,855	P 96,307,735	P 625,766,119	P 30,918,162	P 12,046,536	P 2,043,632,959
Additions	76,830,888	7,198,083	52,809,387	72,430,242	9,377,232	38,735,488	257,381,320
Reclassifications	-	-	-	12,046,536	-	(12,046,536)	-
Depreciation and amortization charges for the year	-	(77,593,368)	(56,270,195)	(39,893,505)	(10,415,922)	-	(184,172,990)
Balance at May 31, 2018, net of accumulated depreciation and amortization	**P 389,229,440**	**P 895,800,570**	**P 92,846,927**	**P 670,349,392**	**P 29,879,472**	**P 38,735,488**	**P 2,116,841,289**
Balance at June 1, 2016, net of accumulated depreciation and amortization	P 193,585,494	P 1,014,032,566	P 115,171,276	P 495,464,082	P 39,315,709	P -	P 1,857,569,127
Additions	118,813,058	29,320,005	37,578,116	164,285,867	5,242,554	12,046,536	367,286,136
Depreciation and amortization charges for the year	-	(77,156,716)	(56,441,657)	(33,983,830)	(13,640,101)	-	(181,222,304)
Balance at May 31, 2017, net of accumulated depreciation and amortization	P 312,398,552	P 966,195,855	P 96,307,735	P 625,766,119	P 30,918,162	P 12,046,536	P 2,043,632,959
Balance at April 1, 2016, net of accumulated depreciation and amortization	P 193,585,494	P 1,020,813,231	P 120,756,369	P 481,571,931	P 40,866,575	P -	P 1,857,593,600
Additions	-	6,132,356	3,738,334	18,601,254	733,720	-	29,205,664
Depreciation and amortization charges for the period	-	(12,913,021)	(9,323,427)	(4,709,103)	(2,284,586)	-	(29,230,137)
Balance at May 31, 2016, net of accumulated depreciation and amortization	P 193,585,494	P 1,014,032,566	P 115,171,276	P 495,464,082	P 39,315,709	P -	P 1,857,569,127

As of May 31, 2018, 2017 and 2016, certain fully depreciated and amortized assets with acquisition cost of P628.4 million, P351.4 million and P68.8 million, respectively, are still being used in the University's operations.

15. TRADE AND OTHER PAYABLES

As of May 31, this account consists of:

	Notes	2018	2017 [As Restated – see Note 2.1(d)]	2016 [As Restated – see Note 2.1(d)]
Dividends payable	24.2(b)	**P 195,004,540**	P 176,403,883	P 154,542,101
Retention payable	12.1	**179,544,963**	182,253,582	146,061,137
Accrued expenses	16, 23.3, 23.4, 23.12, 23.13	**142,305,988**	136,929,845	114,254,365
Accounts payable		**126,863,149**	106,391,762	55,443,899
Deposits payable		**102,319,991**	100,386,219	43,910,227
Withholding and other taxes payable	30	**45,143,507**	48,296,726	38,459,383
Payable to FEU retirement plan		**35,259,257**	25,065,653	19,584,884
Amounts due to students		**27,978,450**	33,371,761	32,394,079
Accrued salaries and employee benefits		**19,547,330**	18,886,243	20,520,146
NSTP trust fund		**-**	-	266,334
Others		**2,427,676**	2,427,463	2,283,503
		P 876,394,851	P 830,413,137	P 627,720,058

Retention payable pertains to a portion of the consideration for the acquisition of RCI that is retained by the University to ensure compliance by the selling shareholders of RCI to certain terms of the SPA.

Accrued expenses include the University's accrual for utilities, rentals, trustees' bonuses and interest, among others.

Accounts payable mainly pertains to unpaid amounts for security services, utilities and other expenses already billed by the University's service providers and suppliers.

Deposits payable are amounts collected on behalf of students and due to third parties mainly for laboratory use, school uniforms of students, thesis tutorial, advising and defense, educational tours and various socio-civic activities. During the years ended May 31, 2018 and 2017, certain deposits payable recognized in prior years amounting to P2.7 million and P0.2 million, respectively, were recognized as income because the purpose for which the collections were made have already been fulfilled. The related gains are presented as part of Miscellaneous income under Other Income in the statements of profit or loss (see Note 20). No similar transactions occurred during the period ended May 31, 2016.

Payable to FEU retirement plan are employee contributions that are yet to be remitted to the retirement fund. These amounts are subsequently remitted after the annual reporting dates.

Amounts due to students represent excess payment of tuition and miscellaneous fees that are refundable to them.

The NSTP trust fund collected from students amounted to P8.0 million, P13.6 million and P0.5 million for the periods ended May 31, 2018, 2017 and 2016. As of May 31, 2016, remaining balance is set aside as a contingency fund and is presented as NSTP Trust Fund. As of May 31, 2018 and 2017, the NSTP trust fund has no outstanding balance as purpose for which these funds were established had already been served at the year of collection.

16. INTEREST-BEARING LOANS

The University's interest-bearing loans as of May 31, 2018, 2017 and 2016 are as follows:

Outstanding Principal Balance (in Million Pesos)			Explanatory Notes*	Interest Rate	Security	Maturity date
2018	2017	2016				
P 761.9	P 800.0	P 800.0	(a)	Base interest**	Unsecured	May 2023
550.5	680.0	680.0	(b)	plus 0.75% or	Unsecured	June 2022
161.9	200.0	-	(c)	prevailing rate	Unsecured	June 2022
142.8	150.0	-	(d)	on special	Unsecured	May 2023
85.0	-	-	(e)	deposit accounts	Unsecured	June 2022
50.0	50.0	-	(f)	3.75% per	Unsecured	July 2018
200.0	-	-	(g)	annum	Unsecured	July 2018
175.0	-	-	(h)	fixed up to	Unsecured	July 2018
				maturity	Unsecured	June 2018
60.0	-	-	(i)	4.00% per annum	Unsecured	June 2018
80.0	-	-	(j)	4.75% per	Unsecured	June 2018
100.0	-	-	(k)	annum	Unsecured	July 2018
P 2,367.1	P 1,880.0	P 1,480.0				

* Loans discussed under explanatory notes (a) to (h) relate to loans with a local commercial bank that are subject to loan covenants effective for the year ended May 31, 2018, which require the University to maintain a debt service coverage ratio of at least 1.2x and debt-to-equity ratio of not more than 2:1.

** Base interest rate is determined from the Philippine Dealing System Treasury Reference three-month bid yields for Philippine government securities.

(a) In May 2016, the University obtained a P800.0 million interest-bearing loan from a local commercial bank, which was used for the University's general capital expenditure requirements, including acquisitions of business and general corporate funding requirements. The principal amount is payable over 21 quarterly payments to start after a two-year grace period from loan availment date. Initial interest payment was made in August 2016. Related interest amounting to P27.1 million, P21.1 million and P1.1 million was recognized for the periods ended May 31, 2018, 2017 and 2016, respectively. Unpaid interest as of May 31, 2018, 2017 and 2016 amounted to P1.4 million, P1.2 million and P1.0 million, respectively.

(b) In June 2015, the University availed of a credit line facility with another local commercial bank amounting to P1.0 billion, which will be used to finance the construction of a campus, including acquisition of land (see Note 13). The University's initial loan drawdown amounted to P680.0 million and is payable within seven years, with the first principal payment made in June 2017. The loan has an average interest rate of 4.3%, 3.2%, and 2.5% for the periods ended May 31, 2018, 2017 and 2016, respectively. Total borrowing costs capitalized as part of the cost of the investment property for the two months ended May 31, 2016 amounted to P3.9 million (see Note 13). Effective June 1, 2016, the University ceased the capitalization of the related interest.

For the years ended May 31, 2018 and 2017, interest incurred amounted to P23.8 million and P18.2 million, respectively. Unpaid interest as of May 31, 2018, 2017 and 2016 amounted to P5.6 million, P4.8 million and P3.8 million, respectively.

(c) In April 2017, the University obtained a P200.0 million interest-bearing loan from a local commercial bank for general capital expenditure requirements, including funding of a business acquisition and general corporate funding requirements. The principal amount is payable over 21 quarterly payments, with the first principal payment made in June 2017, together with the initial interest payment. Interest incurred on this loan amounted to P7.0 million and P1.2 million in 2018 and 2017, respectively. Unpaid interest as of May 31, 2018 and 2017 amounted to P1.6 million and P1.2 million, respectively.

(d) In November 2016, the University obtained a P150.0 million interest-bearing loan from a local commercial bank for general capital expenditure requirements, including funding of a business acquisition and general corporate funding requirements. The principal amount is payable over 21 quarterly payments, with the first principal payment made in May 2018. Initial interest payments were made in February and May 2017. Related interest incurred amounted to P5.1 million and P2.3 million in 2018 and 2017, respectively. Unpaid interest as of May 31, 2018 and 2017 amounted to P0.3 million and P0.2 million, respectively.

(e) In June 2017, the University obtained a P100.0 million interest-bearing loan from a local commercial bank for general capital expenditure requirements, including funding of a business acquisition and general corporate funding requirements. The principal amount is payable over 20 quarterly payments, with the first principal payment made in September 2017. Initial interest payments were also made in the same month. Related interest amounting to P3.6 million was recognized in 2018. Unpaid interest as of May 31, 2018 amounted to P0.9 million.

(f) In May 2017, the University obtained a P50.0 million interest-bearing loan from a local commercial bank for general capital expenditure requirements, including funding of a business acquisition and general corporate funding requirements. The principal amount is payable upon maturity in January 2018.

In January 2018, this loan was refinanced and was supposed to mature in April 2018, but was further extended until July 2018. Related interest amounting to P1.8 million and P0.1 million was recognized in 2018 and 2017, respectively. Unpaid interest as of May 31, 2018 and 2017 amounted to P0.02 million and P0.09 million, respectively.

(g) In August 2017, the University obtained a P200.0 million interest-bearing loan from a local commercial bank to fund the University's certain strategic investments and for general corporate funding requirements. The principal amount is payable on maturity in January 2018, while interest payments are made monthly.

In January 2018, this loan was refinanced and was supposed to mature in April 2018, but was further extended until July 2018. Interest rate increased from 3.50% to 3.75% for the extension period. Related interest amounting to P5.0 million was recognized in 2018. Unpaid interest as of May 31, 2018 amounted to P0.06 million.

(h) In October 2017, the University obtained a P175.0 million interest-bearing loan from a local commercial bank to fund certain investments and for general working capital requirements. The principal amount is payable on maturity in January 2018, while interest payments are made monthly.

In January 2018, this loan was refinanced and was supposed to mature in April 2018, but was further extended until July 2018. Interest rate increased from 3.50% to 3.75% for the extension period. Related interest amounting to P4.1 million was recognized in 2018. Unpaid interest as of May 31, 2018 amounted to P0.1 million.

(i) In December 2017, the University obtained a P60.0 million interest-bearing loan from a local commercial bank for additional working capital. The principal amount is payable on maturity in March 2018, while interest payments are made monthly. The loan does not have any significant or restrictive covenants. In March 2018, this loan was refinanced and will mature in June 2018. Interest rate increased from 3.75% to 4.00% for the extension period. Related interest amounting to P1.1 million was recognized in 2018, while the unpaid interest as of May 31, 2018 amounted to P0.2 million.

(j) In March 2018, the University obtained an P80.0 million interest-bearing loan from a local commercial bank for additional working capital. The principal amount is payable on maturity in June 2018, while interest payments are made monthly. The loan does not have any significant or restrictive covenants. Related interest amounting to P0.6 million was recognized in 2018. Unpaid interest as of May 31, 2018 amounted to P0.1 million.

(k) In April 2018, the University obtained a P100.0 million interest-bearing loan from a local commercial bank for additional working capital. The principal amount is payable on maturity in July 2018, while interest payments are made monthly. The loan does not have any significant or restrictive covenants. Related interest amounting to P0.5 million was incurred in 2018. Unpaid interest as of May 31, 2018 amounted to P0.1 million.

The total interest incurred by the University on all of these loans are presented as part of Interest expense under Finance Costs in the statements of profit or loss (see Note 19.2), while any outstanding interest payable is recognized as part of Accrued expenses under the Trade and Other Payables account in the statements of financial position (see Note 15).

There are no assets used and/or required as collaterals as of May 31, 2018, 2017 and 2016 for the University's interest-bearing loans and borrowings.

As of May 31, 2018, 2017 and 2016, the University has complied with its loan covenants.

17. EDUCATIONAL REVENUES

Details of net tuition and other school fees presented in the statements of profit or loss are as follows:

	May 31, 2018 (One Year)	May 31, 2017 (One Year)	May 31, 2016 (Two Months)
Tuition fees	**P 1,462,865,700**	P 1,812,937,319	P 50,349,409
Less discounts:			
Scholarships	**76,942,138**	92,775,213	894,463
Family	**8,871,802**	6,915,741	255,424
Cash	**3,227,665**	6,964,499	-
	89,041,605	106,655,453	1,149,887
Other school fees:			
Entrance fees	**9,818,769**	4,138,503	578,290
Transcript fees	**9,193,844**	7,194,043	1,283,461
Diplomas	**5,232,683**	2,948,640	296,877
Identification cards	**4,994,414**	5,854,911	72,795
Certification fee	**4,125,136**	3,547,894	548,214
Graduation and commencement fees	**3,737,252**	3,185,212	2,977,790
Registration fees	**2,276,586**	2,839,972	38,669
Miscellaneous	**2,541,414**	2,886,512	173,318
	41,920,098	32,595,687	5,969,414
	P 1,415,744,193	P 1,738,877,553	P 55,168,936

For the periods ended May 31, 2017 and 2016, the University collected tuition fees from students for summer classes of the respective academic years, which started after the reporting period. Such collections amounted to P8.8 million and P50.4 million as of May 31, 2017 and 2016, respectively. For the year ended May 31, 2018, the University has collected advance tuition fee payments amounting to P83.7 million from students who enrolled for the next academic year. These collections are presented as Unearned Tuition Fees in the statements of financial position. These are recognized as revenue in the following period upon completion of academic class instruction.

18. OPERATING EXPENSES

Costs and operating expenses consist of:

	Notes	**May 31, 2018 (One Year)**	May 31, 2017 (One Year)	May 31, 2016 (Two Months)
Instructional and Academic				
Salaries and allowances	21	**P 477,612,087**	P 489,244,392	P 116,356,338
Employees benefits	21	**166,318,846**	183,294,759	24,017,243
Affiliation		**2,464,668**	2,814,342	122,600
Related learning experience		**180,280**	319,520	7,280
Others		**74,215,894**	76,714,662	12,915,102
		720,791,775	752,387,675	153,418,563
Administrative				
Rental	23.3, 23.4, 23.11, 23.12	**117,815,260**	120,556,562	21,376,018
Salaries and allowances	21	**95,398,446**	92,211,958	14,752,734
Employees benefits	21	**45,087,551**	54,033,071	11,803,821
BOT bonus		**13,500,000**	13,500,000	-
Others		**32,799,345**	29,471,367	5,227,415
		304,600,602	309,772,958	53,159,988
Maintenance and University Operations				
Utilities		**57,453,095**	66,015,660	6,549,146
Janitorial services		**21,906,803**	17,052,535	3,637,605
Salaries and allowances	21	**19,158,459**	18,769,878	3,039,195
Repairs and maintenance		**10,574,447**	10,092,675	1,493,718
Employee benefits	21	**9,390,296**	10,701,224	893,734
Property insurance	13	**2,437,593**	2,356,332	8,470
		120,920,693	124,988,304	15,621,868
General				
Depreciation and amortization	13, 14	**205,593,927**	202,634,557	32,793,525
Professional fees		**50,805,105**	55,493,846	9,025,850
Impairment losses on receivables from students	8	**33,441,829**	27,256,489	-
Security services		**22,899,112**	18,598,517	6,021,668
Taxes and licenses	13, 30	**8,046,408**	6,499,205	4,334,119
Publicity and promotions		**5,898,902**	4,132,086	212,390
Others		**4,927,399**	4,971,747	559,492
		331,612,682	319,586,447	52,947,044
		P 1,477,925,752	P 1,506,735,384	P 275,147,463

Other instructional and academic expenses include publication, printing, binding, donations, membership fees and others. Other administrative expenses pertain mainly to expenses incurred for outsourced services, representation, expenses for seminars and conferences, insurance, various supplies, fuels, repairs and maintenance and others. Other general expenses pertain to trustees' and officers' liability insurance and books and other subscriptions.

19. FINANCE INCOME AND FINANCE COSTS

19.1 Finance Income

This consists of the following:

	Notes	**May 31, 2018 (One Year)**	May 31, 2017 (One Year)	May 31, 2016 (Two Months)
Interest income from:				
AFS financial assets	10.1	**P 45,530,554**	P 46,392,410	P 7,552,139
HTM investments	10.2	**21,252,824**	24,171,098	-
Short-term investments	11	**1,074,194**	7,774,953	3,229,124
Cash and cash equivalents	7	**802,362**	4,621,838	1,846,217
		68,659,934	82,960,299	12,627,480
Dividend income	10, 12, 23.1	**62,511,365**	32,512,865	-
Foreign exchange gains – net	10	**31,703,084**	29,360,659	8,931,146
Other investment income from AFS financial assets and HTM investments – net	10	**51,667,991**	35,272,845	8,010,040
		P 214,542,374	P 180,106,668	P 29,568,666

Other investment income from AFS financial assets and HTM investments comprised collectively of dividend income, gain or loss on disposal, and realized fair value gains or losses of securities held by trustee banks, as well as net amortization of discount and premium on HTM investments.

19.2 Finance Costs

This is broken down into the following:

	Notes	**May 31, 2018 (One Year)**	May 31, 2017 (One Year)	May 31, 2016 (Two Months)
Interest expense	16, 23.13	**P 81,465,141**	P 42,857,486	P 2,504,036
Fair value loss on derivative liability	9	**11,504,354**	16,618,386	3,539,700
Loss on write-off of interest receivable	8	**-**	24,479,730	-
		P 92,969,495	P 83,955,602	P 6,043,736

20. OTHER INCOME - Net

This consists of the following:

	Notes	May 31, 2018 (One Year)	May 31, 2017 (One Year)	May 31, 2016 (Two Months)
Income from sale of books and other merchandise		**P 10,293,910**	P 14,455,765	P 1,181,941
Reversal of deposits payable	15	**2,717,902**	221,717	-
Others	23.7	**17,502,732**	12,827,726	1,037,244
		P 30,514,544	P 27,505,208	P 2,219,185

Others include reimbursement of expenses allocated to certain related parties, revenues from authentication fee of documents, photocopying, locker and royalty fees.

21. EMPLOYEES' HEALTH, WELFARE AND RETIREMENT FUND

21.1 Salaries and Employee Benefits Expense

Details of salaries and employee benefits are presented below (see Notes 18).

	2018	2017	2016
Short-term employee benefits	**P 739,573,317**	P 767,896,096	P 153,858,627
Post-employment defined benefits	**73,392,368**	80,359,186	17,004,438
	P 812,965,685	P 848,255,282	P 170,863,065

21.2 Post-employment Defined Benefit

(a) Characteristics of the Defined Benefit Plan

The University maintains a tax-qualified, funded and contributory retirement plan, which is a defined contribution type of retirement plan since 1967, covering regular teaching and non-teaching personnel members.

The retirement fund is under the administration of an organization, the FEU Health, Welfare and Retirement Fund (the Fund), through its Retirement Board.

Contributions to this fund are in accordance with the defined contribution established by the Retirement Board, which is the sum of the employees' and the University's contributions. Employees' contribution is 5% of basic salary while the University's contribution is equivalent to 20% of the employees' basic salary. Retirement expense presented as part of Employee benefits under Operating Expenses in the statements of profit or loss amounted to P73.4 million, P80.4 million, P17.0 million for the periods ended May 31, 2018, 2017 and 2016, respectively (see Note 18).

As a policy of FEU, any contributions made by the University in the past years that were subsequently forfeited resulting from resignations of covered employees prior to vesting of their retirement pay can be applied to reduce employer contributions in the succeeding years.

On April 18, 2017 and March 10, 2016, management approved the offering of Enhanced Retirement Gratuity Program (ERGP), to be implemented and paid in multiple batches, which covers eligible regular full-time faculty members and non-teaching rank-and-file and supervisory personnel. This program can be availed by all qualified and interested employees.

(b) Explanation of Amounts Disclosed in the Financial Statements

Actuarial valuation is obtained to determine the higher of the defined benefit obligation relating to the minimum guarantee and the obligation arising from the defined contribution plan. All amounts presented in this section are based on the actuarial valuation reports obtained from an independent actuary in 2018, 2017 and 2016.

In determining the amounts of post-employment obligation as of May 31 in accordance with PAS 19 (Revised), *Employee Benefits*, the following significant actuarial assumptions were used:

	2018	2017	2016
Discount rates	**6.54%**	5.17%	5.02%
Salary growth rates	**3.00%**	3.00%	5.00%

Assumptions regarding future mortality experience are based on published statistics and mortality tables. The average remaining working lives of an individual retiring at the age of 60 is 14 for both males and females. These assumptions were developed by management with the assistance of an independent actuary. Discount factor is determined close to the end of the reporting period by reference to the interest rates of zero coupon government bonds with terms to maturity approximating to the terms of the post-employment obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

As discussed in Note 2.15, the University's defined contribution plan is accounted for as a defined benefit plan with minimum guarantee starting in 2014 upon the University's adoption of the PIC Interpretation on PAS 19 (Revised). However, considering that the present value of the obligation as determined by an independent actuary does not materially differ from the fair value of the plan assets, management opted not to recognize further the over (under) funding of the obligation, which is considered insignificant as shown in the analysis below.

An analysis of the University's defined benefit obligation as of May 31 following PIC Interpretation with respect to the defined benefit minimum guarantee under RA 7641 is presented below.

	2018	2017	2016
Fair value of plan assets	**P 709,842,413**	P 630,911,276	P 616,500,626
Present value of obligation	**(697,738,212)**	(624,983,652)	(619,046,290)
Over- (under-) funding	**P 12,104,201**	P 5,927,624	(P 2,545,664)

The movements in the fair value of plan assets are presented below.

		2018		2017		2016
Balance at beginning of period	**P**	**630,911,276**	P	616,500,626	P	720,281,161
Interest income		**56,449,034**		53,114,553		-
Actual contributions		**74,512,972**		101,579,459		150,040,062
Benefits paid	**(**	**52,030,869)**	(	140,283,362)	(	284,272,029)
Expected return		**-**		-		30,451,432
Balance at end of period	**P**	**709,842,413**	P	630,911,276	P	616,500,626

The movements in the present value of the retirement benefit obligation recognized in the books are as follows:

		2018		2017		2016
Balance at beginning of period	**P**	**624,983,652**	P	619,046,290	P	723,808,781
Current service cost		**26,319,953**		36,484,254		31,272,218
Interest expense		**40,873,931**		32,004,693		36,335,201
Benefits paid	**(**	**52,030,869)**	(	140,283,362)	(	284,272,029)
Actuarial loss		**57,591,545**		77,731,777		111,902,119
Balance at end of period	**P**	**697,738,212**	P	624,983,652	P	619,046,290

(c) Risks Associated with the Retirement Plan

The plan exposes the University to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

(i) Investment and Interest Rate Risks

The present value of the defined benefit obligation is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of reference government bonds will increase the plan obligation. However, this will be partially offset by an increase in the return on the plan's investments in debt securities and if the return on plan asset falls below this rate, it will create a deficit in the plan. Currently, the plan has relatively balanced investment in cash and cash equivalents, equity securities and debt securities. Due to the long-term nature of the plan obligation, a level of continuing equity investments is an appropriate element of the University's long-term strategy to manage the plan efficiently.

(ii) Longevity and Salary Risks

The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the plan participants both during and after their employment, and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

(d) Other Information

The information on the sensitivity analysis for certain significant actuarial assumptions, the University's asset-liability matching strategy, and the timing and uncertainty of future cash flows related to the retirement plan are described in the succeeding pages.

(i) Sensitivity Analysis

The following table summarizes the effects of changes in the significant actuarial assumptions used in the determination of the defined benefit obligation as of:

	Impact on Post-employment Benefit Obligation		
	Change in Assumption	Increase/ (Decrease) in Assumption	Increase/ (Decrease) in Assumption
May 31, 2018			
Discount rate	**+/- 0.5%**	**(P 48,160)**	**P 56,881**
Salary growth rate	**+/- 1.0%**	**145,749**	**(82,791)**
May 31, 2017			
Discount rate	+/- 0.5%	(P 143,413)	P 173,092
Salary growth rate	+/- 1.0%	392,986	(227,800)
May 31, 2016			
Discount rate	+/- 0.5%	(P 690,063)	P 893,044
Salary growth rate	+/- 1.0%	1,786,745	(1,185,650)

The above sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the sensitivity analysis above, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognized in the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

(ii) Asset-liability Matching Strategies

To efficiently manage the retirement plan, the University through its Retirement Board, ensures that the investment positions are managed in accordance with its asset-liability matching strategy to achieve that long-term investments are in line with the obligations under the retirement scheme. This strategy aims to match the plan assets to the retirement obligations by investing in long-term fixed interest securities (i.e., government or corporate bonds) with maturities that match the benefit payments as they fall due and in the appropriate currency. The University actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the retirement obligations. In view of this, investments are made in reasonably diversified portfolio, such that the failure of any single investment would not have a material impact on the overall level of assets.

A large portion of the Fund's assets as of May 31, 2018, 2017 and 2016 consists of equities and debt securities, although the Fund also invests in cash equivalents. The University believes that equities offer the best returns over the long term with an acceptable level of risk. The majority of equities are in a diversified portfolio of local blue chip entities but none are invested in the University's listed shares with the PSE.

There has been no change in the University's strategies to manage its risks from previous periods.

(iii) Funding Arrangements and Expected Contributions

While there is no minimum funding requirement in the country, the size of the fund is also sufficient to cover the vested benefits when a significant number of employees are expected to retire in 14 years' time.

The University expects to make contribution of P72.2 million to the plan during the next reporting period.

The Fund's, which comprised of both employer and employee share contributions, audited statements of financial position show the following as of December 31:

	2017	2016
Assets		
Cash and cash equivalents	**P 29,628,252**	P 61,546,204
Receivables - net	**47,623,046**	49,445,707
Investment in debt securities:		
Corporate bonds and other debt instruments	**290,708,947**	306,961,487
Government securities	**117,339,580**	133,933,153
Investment in equity securities:		
Equity securities	**367,638,346**	234,275,091
UITF	**81,764,716**	73,402,231
Mutual funds	**12,731,282**	10,176,639
Investment in long term certificate of deposits	**-**	4,442,956
Others	**124,147**	53,511
	947,558,316	874,236,979
Liabilities	**(23,228,158)**	(9,802,728)
Net Assets Available for Plan Benefits	**P 924,330,158**	P 864,434,251

Plan assets do not comprise any of the University's or its related parties' own financial instruments or any of its assets occupied and/or used in its operations.

Below is the breakdown of the employer's share in the Fund's net plan assets as to type of investments as of May 31.

	2018	2017	2016
Cash and cash equivalents	**P 31,817,317**	P 3,438,512	P 11,487,179
Domestic listed shares	**275,433,328**	226,279,606	230,950,399
Corporate bonds	**118,586,342**	131,744,950	174,549,311
Other securities and debt instruments	**117,604,442**	103,216,518	101,915,926
UITF	**69,824,910**	36,468,583	18,964,794
Government bonds	**68,897,219**	98,575,757	144,107,932
Fixed income loans	**4,669,573**	4,109,107	4,839,023
Others	**23,009,282**	27,078,243	10,848,500
	P 709,842,413	P 630,911,276	P 697,663,064

The Fund's financial assets are maintained in trust funds with credible trustee banks under control by the Fund through its Retirement Board.

The breakdown of the Fund's net plan assets in the preceding page is presented to show the composition of the plan assets used by the actuary in determining the net retirement obligation based on the minimum guarantee under RA 7641 as of May 31, 2018, 2017 and 2016. Moreover, no actuarial valuation report was obtained for the two months ended May 31, 2016, hence, the employer's share in the Fund's net plan assets presented in the preceding table pertains to actual fair value of the plan assets as of May 31, 2016 (see Note 23.16).

22. INCOME TAXES

Under the Philippine laws, the taxable income from operations related to school activities and passive investment income of private and proprietary (stock) educational institutions is subject to a tax of 10%. However, if 50% or more of the institution's total gross income is from unrelated business activities, the regular corporate income tax of 30% will apply to the entire taxable income instead of the 10% preferential rate. The University qualifies to avail of the 10% preferential rate given its revenue profile. In addition, the University is also not covered by the minimum corporate income tax provision of the new tax code.

The major components of tax expense (income) reported in the statements of profit or loss are as follows:

	May 31, 2018 (One Year)	May 31, 2017 (One Year)	May 31, 2016 (Two Months)
Current tax expense:			
Final tax at 20% and 7.5%	**P 13,713,079**	P 14,593,396	P 3,261,270
Special rate at 10%	**93,683**	13,684,663	-
	13,806,762	28,278,059	3,261,270
Deferred tax expense (income) relating to origination and reversal of temporary differences	**473,009**	18,008,003	(20,725,681)
	P 14,279,771	P 46,286,062	(P 17,464,411)

A reconciliation of tax on pretax profit (loss) computed at the applicable statutory rates to tax expense reported in profit or loss is presented below.

	May 31, 2018 (One Year)	May 31, 2017 (One Year)	May 31, 2016 (Two Months)
Tax on pretax profit (loss) at 10%	**P 16,024,205**	P 41,622,312	(P 18,707,858)
Adjustments for income subjected to higher tax rates	**6,856,538**	7,296,698	1,630,336
Tax effects of:			
Non-taxable income	**(8,600,972)**	(5,080,921)	(386,889)
Non-deductible expenses	**-**	2,447,973	-
	P 14,279,771	P 46,286,062	(P 17,464,411)

The net deferred tax assets relate to the following:

	Statements of Financial Position			Statements of Profit or Loss		
	2018	2017	2016	**May 31, 2018 (One Year)**	May 31, 2017 (One Year)	May 31, 2016 (Two Months)
Deferred tax assets:						
Accrued rent expense	**P 6,858,892**	P 5,464,689	P 2,851,523	**(P 1,394,203)**	(P 2,613,166)	(P 519,345)
Unrealized fair value losses - net	**3,825,531**	3,336,546	2,052,000	**(488,985)**	(1,284,546)	(244,770)
Allowance for impairment on tuition and other school fees receivables	**2,650,317**	3,261,948	4,028,218	**611,631**	766,270	-
Net operating loss carry-over	**-**	-	19,081,923	**-**	19,081,923	(19,081,923)
	13,334,740	12,063,183	28,013,664	**(1,271,557)**	15,950,481	(19,846,038)
Deferred tax liability:						
Unrealized foreign currency gains	**(3,170,308)**	(2,936,065)	(869,751)	**234,243**	2,066,314	(859,391)
Prepaid expenses	**(1,510,323)**	-	-	**1,510,323**	-	-
Unrealized fair value gains	**-**	-	(8,792)	**-**	(8,792)	(20,252)
	(4,680,631)	(2,936,065)	(878,543)			
Deferred tax assets – net	**P 8,654,109**	P 9,127,118	P 27,135,121			
Deferred tax expense (income) – net				**P 473,009**	P 18,008,003	(P 20,725,681)

The University claimed itemized deductions for income tax purposes in all of the periods presented.

23. RELATED PARTY TRANSACTIONS

The University's related parties include its subsidiaries, the University's key management and others as described in Note 2.18. A summary of the University's transactions with its related parties is presented below (in thousands).

		May 31, 2018		May 31, 2017		May 31, 2016	
	Notes	**Amount of Transaction (One Year)**	**Outstanding Receivable (Payable)**	Amount of Transaction (One Year)	Outstanding Receivable (Payable)	Amount of Transaction (Two Months)	Outstanding Receivable (Payable)
Subsidiaries							
Rental expense	23.3, 23.4, 23.11	**(P 113,030)**	**(P 68,589)**	(P 116,075)	(P 48,513)	(P 19,123)	(P 21,996)
Dividend income	23.1	**62,511**	**29,999**	32,513	25,840	-	-
Rental income	23.5, 23.6, 23.8, 23.9	**68,927**	**24,710**	52,061	22,536	240	417
Interest-bearing loan	23.13	**(111,772)**	**(86,346)**	**-**	-	-	-
Noninterest-bearing advances	23.2	**91,495**	**222,716**	151,596	181,221	27,195	29,625
Reimbursement of expenses – (Receivable)	23.7	**20,846**	**26,661**	12,569	7,825	9	996
Investment subscription (Payments) - net	2.1, 12	**(487,500)**	**(500)**	393,750	(488,000)	264,311	(94,311)
Related parties under common management							
Rental income	23.9	**-**	**2,921**	2,813	3,194	5,626	3,067
Noninterest-bearing advances	23.2	**755**	**1,185**	430	430	-	-
Management services	23.10	**-**	**-**	-	-	-	7,996
Reimbursement of expenses – (Receivable)	23.7	**17,399**	**22,294**	3,369	9,402	2,073	8,590
Rental expense	23.12	**(3,136)**	**(9,931)**	(3,136)	(6,795)	523	523
Key management personnel compensation	23.15	**165,877**	**-**	154,244	-	23,659	-
Retirement Fund	23.16						
Retirement plan assets		**-**	**709,842**	-	630,911	-	697,663
Reimbursement of fund		**-**	**-**	996	996	29,425	29,425

Based on management's assessment, no allowance for impairment is required to be recognized on the University's receivables from its related parties.

Details of the foregoing summary of transactions are discussed in the succeeding pages.

23.1 Dividend Income

For the years ended May 31, 2018 and 2017, FEU High, EACCI and FRC declared cash dividends to all of their stockholders. Accordingly, the University recognized dividend income of P30.0 million, P25.8 million, P6.7 million from FEU High, EACCI and FRC, respectively, for the year ended May 31, 2018, while P25.8 million and P6.7 million from EACCI and FRC, respectively, for the year ended May 31, 2017 (nil for the period ended May 31, 2016), and is presented as Dividend income under Finance Income in the statements of profit or loss (see Note 19.1). Dividend receivable amounting to P30.0 million and P25.8 million as of May 31, 2018 and 2017 (nil as of May 31, 2016), respectively, is presented as part of Receivables from related parties under the Receivables account in statements of financial position (see Note 8).

23.2 Noninterest-bearing Advances

The University grants unsecured and noninterest-bearing advances to certain related parties for working capital purposes which are currently due and demandable.

Summarized below are the outstanding receivables, shown as part of Receivables from related parties under the Receivables account in the statements of financial position, arising from these transactions (see Note 8).

	Beginning	Advances	Repayments	Ending
2018				
RCI	P 160,564,735	P 90,000,000	(P 50,000,000)	P 200,564,735
FEUAI	20,655,933	1,495,468	-	22,151,401
FEU Public Policy Foundation, Inc.	430,000	755,000	-	1,185,000
	P 181,650,668	**P 92,250,468**	**(P 50,000,000)**	**P 223,901,136**
2017				
RCI	P 26,837,821	P 133,726,914	P -	P 160,564,735
FEUAI	2,786,704	17,869,229	-	20,655,933
FEU Public Policy Foundation, Inc.	-	430,000	-	430,000
	P 29,624,525	P 152,026,143	P -	P 181,650,668
2016				
RCI	P -	P 26,837,821	P -	P 26,837,821
FEUAI	2,429,295	357,409	-	2,786,704
	P 2,429,295	P 27,195,230	(P -)	P 29,624,525

During the year ended May 31, 2017, the University's management changed its ownership plan over the Alabang campus that is being constructed on the University's land. Consequently, the University reclassified all of its previously incurred construction costs amounting to P10.9 million from Construction in progress under the Investment Properties account to Receivables from related parties under Receivables account (see Note 13).

23.3 Lease of Manila Campus Premises from FRC

The University leases certain buildings located within the Manila campus premises from FRC for a period of 10 years at an annual rate agreed yearly between the parties but at no rate lower than what was previously prevailing in the preceding year. Currently, the lease is effective from July 1, 2015 to June 30, 2025. The parties agreed to a rental rate of P9.4 million on the first year, subject to 5% escalation rate every year thereafter.

Total rental expense arising from these leases charged to operations amounting to P94.9 million, P95.9 million, and P16.1 million for the periods ended May 31, 2018, 2017 and 2016, respectively, is presented as part of Rental under Administrative Expenses (see Note 18). Accrued rental amounting to P47.9 million, P35.7 million, and P17.5 million as at May 31, 2018, 2017 and 2016, respectively, is presented as part of Accrued expenses under the Trade and Other Payables account in the statements of financial position (see Note 15).

23.4 Lease of Makati Campus Premises from FRC

FEU leases from FRC the land where the building occupied by FEU Makati Campus is located. The lease agreement covers a period of 30 years from December 1, 2010 to May 31, 2041. The lease period is renewable subject to conditions mutually agreed upon by both parties. The annual rental rate is P0.7 million, subject to 5% escalation rate on every year thereafter until the end of lease term.

Total rental expense charged to operations amounted to P17.7 million for the years ended May 31, 2018 and 2017, and P3.0 million for the period ended May 31, 2016, and is presented as part of Rental under Administrative Expenses in the statements of profit or loss (see Note 18). Accrued rental amounted to P20.7 million, P12.9 million, and P4.5 million as of May 31, 2018, 2017 and 2016, respectively, and is presented as part of Accrued expenses under the Trade and Other Payables account in the statements of financial position (see Note 15).

23.5 Lease of Certain Building Floor to FRC

The University leases to FRC the mezzanine floor of one of the University's buildings for a period of 10 years from September 1, 2007 to August 31, 2017, renewable upon mutual consent of both parties. The lease agreement was renewed for another one-year period from September 1, 2017 to August 31, 2018. Rent income from FRC amounted to P1.6 million, P1.5 million and P0.1 million for the periods ended May 31, 2018, 2017 and 2016, respectively, and is shown as part of Other Operating Income in the statements of profit or loss (see Notes 13 and 20). There are no outstanding receivables as of the end of each period related to this lease agreement.

23.6 Lease of Campus Premises to FECSI

In July 2012, a contract was signed between the University and FRC, where the University became the new owner and lessor of two school buildings to FECSI. However, FRC still retains the ownership of the land where the buildings are located. In previous years, FRC owned and leased the campus' buildings and land solely to FECSI. Subsequently, a new lease agreement was signed by the University, FRC and FECSI for a period of ten years from August 1, 2012 to July 31, 2022. The lease period is renewable subject to conditions mutually agreed upon by the parties. The annual rent is set at P1.3 million or 10% of FECSI's annual gross revenue net of some adjustments, whichever is higher. The rental fee is equally allocated between the University and FRC.

Total rental income earned from this transaction amounting to P3.1 million for the years ended May 31, 2018 and 2017, and P0.1 million for the period ended May 31, 2016, is presented as part of Other Operating Income in the statements of profit or loss (see Notes 13 and 20). Related outstanding receivable arising from this transaction amounted to P0.7 million for the year ended May 31, 2018 and P0.1 million for 2017 and 2016, which is presented as part of Receivables from related parties under the Receivables account in the statements of financial position (see Note 8). No impairment loss is recognized by the University on this receivable from related parties.

23.7 Reimbursement of Expenses

During the periods ended May 31, 2017 and 2016 (nil in 2018), the University billed EAEF for related services such as security and janitorial services, light and water and other utilities at cost. Accordingly, the outstanding receivable amounting to P4.9 million, P9.2 million and P7.9 million as of May 31, 2018, 2017 and 2016, respectively, is presented as part of Receivables from related parties under the Receivables account in the statements of financial position (see Note 8).

During the year ended May 31, 2018, the University billed FECSI for the salaries and other benefits of its duly appointed executive director at cost. Accordingly, the outstanding receivable amounting to P6.5 million as of May 31, 2018 is presented as part of Receivables from related parties under the Receivables account in the statement of financial position (see Note 8). No similar transaction occurred during the periods ended May 31, 2017 and 2016.

During the periods ended May 31, 2018, 2017 and 2016, the University billed FEU High for light, water and other allocated expenses at cost. Accordingly, the outstanding receivable amounting to P12.3 million, P2.3 million and P1.4 million as of May 31, 2018, 2017 and 2016, respectively, is presented as part of Receivables from related parties under the Receivables account in the statements of financial position (see Note 8).

During the years ended May 31, 2018 and 2017, the University billed RCI for consultants' salaries, legal fees and other allocated expenses at cost. Accordingly, the outstanding receivable amounting to P4.2 million and P5.0 million as of May 31, 2018 and 2017, respectively, is presented as part of Receivables from related parties under the Receivables account in the statement of financial position (see Note 8).

During the years ended May 31, 2018 and 2017, the University billed FEU Public Policy Foundation, Inc. for the salaries of its executive director and staff, and other allocated expenses at cost. Accordingly, the outstanding receivable amounting to P2.4 million as of May 31, 2018, and P0.2 million as of May 31, 2017 and 2016 is presented as part of Receivables from related parties under the Receivables account in the statements of financial position (see Note 8).

During the periods ended May 31, 2018, 2017 and 2016, the University billed EACCI for light, water and other allocated expenses at cost. Accordingly, the outstanding receivable amounting to P3.6 million, P0.8 million and P0.5 million as of May 31, 2018, 2017 and 2016, respectively, is presented as part of Receivables from related parties under the Receivables account in the statements of financial position (see Note 8).

During the year ended May 31, 2018, 2017 and 2016, the University billed FRC for various allocated expenses and for which the outstanding receivable amounting to P0.1 million is presented as part of Receivables from related parties under the Receivables account in the 2018 statement of financial position (see Note 8).

During the years ended May 31, 2018, the University billed NREF for the salaries of its executive director, and other allocated expenses amounting to P15.0 million which outstanding receivable as of May 31, 2018 is presented as part of Receivables from related parties under the Receivables account in the statement of financial position (see Note 8).

23.8 Sub-lease of Buildings to FEU High

In June 2016, the University sub-leased its Nursing Building (being leased out from FRC) to FEU High for a period of one year until May 31, 2017. In June 2017, the University and FEU High entered into a new lease agreement for a period of one year until May 31, 2018, covering both the Nursing and the Accounts, Business and Finance Buildings. Total rental income from this transaction amounted to P39.8 million and P21.8 million for the years ended May 31, 2018 and 2017, respectively, and is presented as part of Other Operating Income in the statements of profit or loss for the years ended May 31, 2018 and 2017. Outstanding receivable arising from this transaction amounting to P22.0 million, P22.5 million and P0.1 million as of May 31, 2018, 2017 and 2016, respectively, is presented as part of Receivables from related parties under the Receivables account in the statements of financial position (see Note 8).

23.9 Lease of Certain Buildings to EAEF and EACCI

The University leases out certain buildings to EAEF for a period of one to five years until March 31, 2015. However, upon expiration of the term of the contract, the University and EAEF had mutually agreed not to renew such lease agreement (see Note 13). Instead, as of May 31, 2016, only certain floors of the buildings were leased out to EAEF.

Total rental income from EAEF, presented as part of Other Operating Income in the statements of profit or loss, amounted to P2.9 million and P5.6 million for the periods ended May 31, 2017 and 2016, respectively (see Note 20). Related receivables arising from this transaction as of May 31, 2018, 2017 and 2016 amounting to P2.9 million, P3.2 million and P3.1 million, respectively, is presented as part of Receivables from related parties under the Receivables account in the statements of financial position (see Note 8).

Starting July 2016, upon take-over of EACCI of the EAEF's operations, the lease of the buildings was transferred to the custody of EACCI. A new lease contract for a period of ten years until June 30, 2026 was entered into by the University and EACCI. Monthly rental of P2.1 million (exclusive of VAT) from July 2016 to February 2017 and P2.0 million (inclusive of VAT) for March 2017 onwards, was billed to EACCI.

Total rental income from EACCI, presented as part of Other Operating Income in the statements of profit or loss, amounted to P24.5 and P25.7 million for the years ended May 31, 2018 and 2017, respectively (see Note 20). Outstanding receivables arising from this transaction amounting to P2.0 million as of May 31, 2018 is presented as part of Receivables from related parties under the Receivables account in the statement of financial position (see Note 8). No similar transaction occurred for the period ended May 31, 2017 and 2016.

23.10 Management Services

The University provided management services to EAEF which agreed to pay management fee computed at a certain percentage of the latter's gross revenue subject to certain conditions. There were no management fees earned during the periods ended May 31, 2018, 2017 and 2016 as EACCI already took over the operations of EAEF during the year ended May 31, 2017. Outstanding receivable arising from this transaction in prior years amounted to P8.0 million as of May 31, 2016 which is presented as part of Receivables from related parties under the Receivables account in the statements of financial position (see Note 8).

23.11 Lease of Facilities from EACCI

The University conducts certain Physical Education classes using EACCI's swimming facilities. Total rental expense charged to operations amounted to P0.5 million and P2.5 million for the years ended May 31, 2018 and 2017, respectively, (nil for the period ended May 31, 2016) and is presented as part of Rental under Administrative Expenses (see Note 18). There was no outstanding balance from this transaction as of May 31, 2018, 2017 and 2016.

23.12 Lease of Facilities from Nicanor Reyes Educational Foundation, Inc. (NREF)

FEU leases from NREF certain sports facilities for use by the University's athletes. The lease agreement covers a period of ten years from April 1, 2014 to March 31, 2024. The annual rental rate is determined every year subject to conditions mutually agreed upon by both parties. Total rental expense charged to operations amounted to P3.1 million, P3.1 million and P0.5 million for the periods ended May 31, 2018, 2017 and 2016, respectively, and is presented as part of Rental under Administrative Expenses (see Note 18). Outstanding payable arising from this transaction is presented as part of Accrued expenses under the Trade and Other Payables account in the statements of financial position (see Note 15).

23.13 Interest-bearing Loan from FEU High

In November 2017, the University obtained a P75.8 million interest-bearing loan from FEU High. The loan bears interest based on a 91-day time deposit rate plus 0.10%. The loan has a term of 90 days. The agreement provides for a 3% late payment interest on any unpaid principal and interest, computed per annum from maturity date until full payment. The outstanding balance of this loan amounted to P50.8 million as of May 31, 2018 and is presented as part of Advances from a related party account in the 2018 statement of financial position. Related interest amounting to P0.9 million was recognized in profit or loss as part of Finance Costs in the 2018 statement of profit or loss (see Note 19.2). Accrued interest payable amounting to P0.5 million as of May 31, 2018 is presented as part of Accrued expenses under the Trade and Other Payables account in the 2018 statement of financial position (see Note 15).

In May 2018, the University obtained another loan from FEU High amounting to P35.0 million. The loan bears an interest rate of 3% per annum. The loan will mature in July 2018 and the agreement provides for a 3% late payment interest on any unpaid principal and interest, computed per annum from maturity date until full payment. Related interest amounting to P0.1 million was recognized in profit or loss as part of Finance Costs in the 2018 statement of profit or loss (see Note 19.2). Accrued interest payable amounting to P0.1 million as of May 31, 2018 is presented as part of Accrued expenses under the Trade and Other Payables account in the 2018 statement of financial position (see Note 15).

23.14 Financial Guaranty for Subsidiaries' Loans

In March 2017 and January 2018, the BOT approved that for and in consideration of the loan or credit facilities obtained by any subsidiary of the University, in which the University owns at least 75% of the outstanding voting capital stock of such subsidiary, from a certain local commercial bank, the University gives its full consent and authority to act as surety up to P0.5 million for the subsidiary's obligations arising from any loan or availments from any credit facilities granted by the said local bank in favor of the subsidiary, as well as any renewals, increases, extensions of existing obligations obtained by or which may hereafter be obtained by the subsidiary from the local bank, whether direct or indirect, principal or secondary. As of May 31, 2018 (nil as of May 31, 2017), RCI has availed a loan amounting to P70.0 million from the said local bank.

23.15 Key Management Personnel Compensation

Total remuneration of the University's key management personnel presented as part of Salaries and allowances and Employees benefits, which is part of Instructional and Academic expenses, under Operating Expenses (see Note 18) is as follows:

	May 31, 2018 (One Year)	May 31, 2017 (One Year)	May 31, 2016 (Two Months)
Salaries and short-term benefits	**P 142,468,082**	P 132,725,170	P 20,336,298
Post-employment benefits	**23,408,439**	21,518,544	3,322,864
	P 165,876,521	P 154,243,714	P 23,659,162

23.16 Retirement Fund

The University's retirement fund is in the form of trustee-banks managed accounts. The fair value of the University's retirement plan assets amounted to P709.8 million, P630.9 million and P697.7 million as of May 31, 2018, 2017 and 2016, respectively. Details of the retirement plan are presented in Note 21.2(d)(iii). The University has no transactions with the retirement plan other than contributions and benefit payments in all periods presented. During the periods ended May 31, 2017 and 2016, the University funded the retirement pay of certain employees who availed of the ERGP (see Note 21), which will be reimbursed by the Fund. The outstanding receivable from this transaction amounted to P1.0 million and P29.4 million as of May 31, 2017 and 2016 (nil as of May 31, 2018), respectively, and is recorded as part of Receivables from related parties under the Receivables account in the statements of financial position (see Note 8).

None of the retirement plan assets are invested in or provided to the University and/or its related parties, except for advances or loans granted to the University's officers.

The retirement fund neither provides any guarantee nor surety for any obligation of the University.

24. EQUITY

24.1 Capital Stock

As of May 31, 2018, 2017 and 2016, the University has 20,000,000 shares of authorized capital stock, of which 16,477,023 were issued and outstanding, with par value of P100 per share.

Also, the University's treasury stock acquired in prior years amounted to P3.7 million or 37,331 shares as of May 31, 2018, 2017 and 2016.

On July 11, 1986, the SEC approved the listing of the University's common shares, its only listed securities, at an offer price of P100 per share. As of May 31, 2018, 2017 and 2016, there are 16,514,354 listed shares which include those held in treasury and shares held by the University's related parties. The University has a total of 10,839,166, 10,834,034 and 10,816,929 listed shares, which is equivalent to 65.78%, 65.75% and 65.64%, held by related parties as at May 31, 2018, 2017 and 2016, respectively, while there are 5,637,857, 5,642,989 and 5,660,754 listed shares owned by the public which is equivalent to 34.22%, 34.25% and 34.36% of the total outstanding shares as at May 31, 2018, 2017 and 2016, respectively.

As of May 31, 2018, 2017 and 2016, the closing price of the University's listed shares was P910 per share.

24.2 Retained Earnings

Significant transactions affecting Retained Earnings, which includes the amount equivalent to the cost of the University's treasury shares of P3.7 million, are as follows:

(a) Appropriation of Retained Earnings

As of May 31, 2018, 2017 and 2016, the University's Appropriated Retained Earnings consists of appropriations for:

	2018	2017	2016
Property and investment acquisition	**P 2,000,000,000**	P 2,250,000,000	P 2,250,000,000
Expansion of facilities	**324,800,000**	187,000,000	187,000,000
Contingencies	**240,000,000**	10,000,000	10,000,000
General retirement	**140,000,000**	90,000,000	90,000,000
Purchase of equipment and improvements	**135,200,000**	33,000,000	33,000,000
Treasury stock	**3,733,100**	3,733,100	3,733,100
	P 2,843,733,100	P 2,573,733,100	P 2,573,733,100

The changes in the appropriated retained earnings during the year ended May 31, 2018 are shown below.

Balance at beginning of year	P 2,573,733,100
Appropriations	520,000,000
Reversal of appropriations	(250,000,000)
Balance at end of year	P 2,843,733,100

During the year ended May 31, 2018, the University made an additional appropriation, amounting to P520.0 million, for expansion of facilities, contingencies, general retirement and purchase of equipment and improvements. Such appropriation is expected to be realized within one year from the end of the reporting period. During the same year, the University reversed appropriations for property acquisition and investment amounting to P250.0 million as the purpose for which such appropriations were made had been completed.

No changes were made in the appropriated retained earnings during the periods ended May 31, 2017 and 2016.

(b) Dividend Declaration

The BOT approved the following dividend declarations during the periods ended:

	Date of Declaration	Date of Record	Date of Payment/Issuance	Amount
May 31, 2018				
Cash dividend of P8 per share	September 19, 2017	October 4, 2017	October 18, 2017	P 131,816,184
Cash dividend of P8 per share	February 20, 2018	March 6, 2018	March 20, 2018	131,816,184
				P 263,632,368
May 31, 2017				
Cash dividend of P12 per share	June 21, 2016	July 5, 2016	July 19, 2016	P 197,724,276
Cash dividend of P10 per share	February 21, 2017	March 7, 2017	March 21, 2017	164,770,230
				P 362,494,506

Unclaimed checks related to dividends declared as of May 31, 2018 and 2017 are presented as Dividends payable under the Trade and Other Payables account in the statements of financial position (see Note 15). No dividends were declared for the two months ended May 31, 2016.

25. EARNINGS (LOSS) PER SHARE

Earnings (loss) amounts were computed as follows:

	May 31, 2018 (One Year)	May 31, 2017 (One Year)	May 31, 2016 (Two Months)
Net profit (loss)	**P 145,962,283**	P 369,937,059	(P 169,614,167)
Divided by number of outstanding shares, net of treasury stock of 37,331 shares	**16,477,023**	16,477,023	16,477,023
Basic and diluted earnings (loss) per share	**P 8.86**	P 22.45	(P 10.29)

The weighted average number of outstanding shares is the same as the actual number of outstanding shares as of May 31, 2018, 2017 and 2016.

The University has no dilutive potential common shares as of May 31, 2018, 2017 and 2016; hence, the diluted earnings (loss) per share is the same as the basic earnings (loss) per share in all the periods presented.

26. EVENTS AFTER THE END OF THE REPORTING PERIOD

On August 28, 2018, the University's BOT approved the following changes in the appropriation of retained earnings as of May 31, 2018:

	May 31, 2018	Reversal	August 28, 2018
Property and investment acquisition	P 2,000,000,000	(P 369,000,000)	P 1,631,000,000
Expansion of facilities	324,800,000	(160,800,000)	164,000,000
Contingencies	240,000,000	(50,000,000)	190,000,000
General retirement	140,000,000	(50,000,000)	90,000,000
Purchase of equipment and improvements	135,200,000	(43,200,000)	92,000,000
Treasury stock	3,733,100	-	3,733,100
	P 2,843,733,100	(P 673,000,000)	P 2,170,733,100

The foregoing post year-end event did not have any impact on its financial statements as of and for the year ended May 31, 2018.

27. COMMITMENTS AND CONTINGENCIES

The following are the significant commitments and contingencies involving the University:

27.1 Operating Lease Commitments – University as Lessee

(a) Lease Agreement with FRC

The University is a lessee under operating leases covering certain buildings for a period of ten years from July 1, 2005 to June 30, 2015. In July 2015, the lease contract was renewed for another ten years, which will expire on June 30, 2025, subject to annual escalation rate of 5%.

The University also entered into other contracts of lease for the land where the building occupied by FEU Makati is located for a period of 30 years and for the lease of various sports facilities covering a gymnasium, football field and classrooms for a period of ten years, as discussed in Notes 23.4 and 23.3, respectively.

The future minimum rentals payable under these non-cancellable operating leases as of May 31, 2018, 2017 and 2016 are as follows:

	2018	2017	2016
Within one year	**P 98,273,575**	P 93,515,870	P 94,075,321
After one year but not more than five years	**548,535,457**	526,513,278	511,915,548
More than five years	**474,468,401**	594,682,244	740,792,713
	P 1,121,277,433	P 1,214,711,392	P 1,346,783,582

27.2 Operating Lease Commitments – University as Lessor

The University leases out certain buildings to EAEF, EACCI, FEU High and FECSI and the mezzanine floor to FRC for a period of one to ten years (see Notes 13, 23.5, 23.6, 23.8 and 23.9).

Future minimum rental receivables as of May 31, excluding contingent rental, under these operating leases are as follows:

	2018	2017	2016
Within one year	**P 22,816,026**	P 22,816,026	P 35,196,560
After one year but not more than five years	**89,831,091**	89,831,091	-
More than five years	**45,537,027**	89,352,573	-
	P 158,184,144	P 201,999,690	P 35,196,560

The University is also a lessor in various lease contracts with third party lessees. The terms of the lease vary but does not exceed one year. Total rentals earned from these operating leases amounted to P1.4 million for the periods ended May 31, 2018 and 2016, and P5.5 million for the period ended May 31, 2017, which is presented as part of Other Operating Income in the statements of profit or loss.

27.3 Open Legal Cases

As of May 31, 2018, the University has a pending case against the local government of City of Manila where it is contesting the imposition of local business tax on the tuition fees collected. The University's protest is grounded on the following premises: (i) the lack of specific provision in the Local Government Code and in the Local Tax Code of Manila authorizing the City of Manila to impose a business tax of 1% on tuition fees; (ii) prescription; and, (iii) violation of due process. The local business tax being contested covers taxable years 2009 to 2013.

Also, as of the same date, the University is a defendant in certain civil cases, which are pending before the National Labor Relations Commission, Court of Appeals and the Supreme Court.

As of May 31, 2018, no final decision has been rendered by the courts in the above-mentioned cases; hence, no provision for contingencies is recognized. The University's management and its legal counsel believe that liabilities, if any, which may result from the outcome of these cases, will not materially affect the financial position and results of operations of the University.

27.4 Others

There are other contingencies that arise in the normal course of business that are not recognized in the University's financial statements. Management believes that losses, if any, arising from these commitments and contingencies will not materially affect its financial statements, however, the University opted to appropriate portion of its retained earnings to cover for such contingencies (see Note 24.2).

28. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The University aims to provide returns on equity to shareholders while managing operational and strategic objectives. The University manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust capital structure, the University may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The University defines capital as paid-in capital stock and retained earnings, both appropriated and unappropriated. Other components of equity such as treasury stock and revaluation reserves are excluded from capital for purposes of capital management. The BOT has overall responsibility for monitoring of capital in proportion to risks. Profiles for capital ratios are set in the light of changes in the University's external environment and the risks underlying the University's business, operation and industry.

The University monitors capital on the basis of debt-to-equity ratio, which is calculated as total liabilities divided by total adjusted equity (comprised of capital stock and retained earnings). Capital for the reporting periods May 31, 2018, 2017 and 2016 and is summarized below.

	May 31, 2018 (One Year)	May 31, 2017 [As Restated – see Note 2.1(d)] (One Year)	May 31, 2016 [As Restated – see Note 2.1(d)] (Two Months)
Total liabilities	**P 3,451,830,986**	P 3,240,589,834	P 2,301,324,610
Total adjusted equity	**5,473,733,834**	5,591,403,919	5,583,961,366
Debt-to-equity ratio	**0.63 : 1.00**	0.58 : 1.00	0.41 : 1.00

The University's goal in capital management is to maintain a lower liability compared with its adjusted equity or debt-to-equity structure ratio of not more than 1.00:1.00. This is in line with the University's bank covenants related to its interest-bearing loans to a certain bank (see Note 16).

The University has complied with its covenant obligations, including maintaining the required debt-to-equity ratios and debt service credit reserve (DSCR) which are both based on the University's consolidated financial statements for all periods presented.

There was no significant change in the University's approach to capital management during the year.

29. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Presented below is the reconciliation of liabilities arising various financing activities in fiscal year 2018.

	Interest-bearing Loans (Note 16)	Advances from a Related Party (Note 23)	Dividends Payable (Note 15)	Accrued Interest	Total
Balance at June 1, 2017	P 1,880,000,000	P -	P 176,403,883	P 540,308	P 2,056,944,191
Cash flows from financing activities:					
Proceeds from additional loans	715,000,000	110,800,000	-	-	825,800,000
Repayment of loans	(227,857,142)	(25,000,000)	-	-	(252,857,142)
Interest paid	-	-	-	(70,628,935)	(70,628,935)
Dividends paid	-	-	(245,031,711)	-	(245,031,711)
Non-cash financing activities:					
Accrual of interest	-	-	-	81,465,141	81,465,141
Dividend declaration	-	-	263,632,368	-	263,632,368
Balance at May 31, 2018	P 2,367,142,858	P 85,800,000	P 195,004,540	P 11,376,514	P 2,659,323,912

Accrued interest as of May 31, 2018, 2017 and 2016 is recognized as part of Accrued Expenses under Trade and Other Payables in the statement of financial position (see Notes 15 and 16).

30. SUPPLEMENTARY INFORMATION REQUIRED BY THE BUREAU OF INTERNAL REVENUE

The following supplementary information on taxes, duties and license fees paid or accrued during the taxable year required by the BIR under Revenue Regulation (RR) No. 15-2010 to be disclosed as part of the notes to financial statements. This supplementary information is not a required disclosure under PFRS.

(a) Output VAT

In fiscal year 2018, the University declared output VAT as follows:

	Tax Base	Output VAT
Rental	P 56,164,845	P 6,739,781
Sale of merchandise	28,251,326	3,390,159
Other gains and losses	212,318	25,478
	P 84,628,489	P 10,155,418

The outstanding output VAT payable amounting to P1,272,429 million as of May 31, 2018 is presented as part of Withholding and other taxes payable under the Trade and Other Payables account in the 2018 statement of financial position (see Note 15).

Pursuant to Section 109, *VAT-Exempt Transactions*, of the National Internal Revenue Code of 1997, the University's receipts from tuition and other fees related to educational services amounting to P1,480,816,259 are VAT-exempt.

The tax base for rendering of services is based on the University's gross receipts for the year, hence, may not be the same with the amounts reported in the 2018 statement of profit or loss which is based on PFRS.

(b) Input VAT

Pursuant to Section 109, the University is not allowed any tax credit of input VAT on its purchases related to educational services.

The movements in Input VAT are summarized below:

Balance at beginning of year	P	17,768,995
Services lodged under cost of services		5,059,302
Applied against output VAT	(	2,486,943)
Balance at end of year	**P**	**20,341,354**

(c) Taxes on Importation

The University did not have any importations in fiscal year 2018.

(d) Excise Tax

The University did not have any transactions in fiscal year 2018, which are subject to excise tax.

(e) Documentary Stamp Tax

In fiscal year 2018, the University paid and accrued documentary stamp tax (DST) for the following transactions:

Loan agreement	P	3,282,564
Miscellaneous		1,014,151
	P	**4,296,715**

(f) Taxes and Licenses

Details of taxes and licenses in fiscal year 2018 are as follows (see Note 18):

DST	P	4,296,715
Real property tax		1,988,273
Municipal licenses and permits		1,731,349
Community tax		10,500
Miscellaneous		19,571
	P	**8,046,408**

(g) Withholding Taxes

Details of total withholding taxes for the fiscal year ended May 31, 2018 are shown below.

Compensation	P	135,591,792
Expanded		21,721,556
Final		8,034,612
	P	**165,347,960**

(h) Deficiency Tax Assessments and Tax Cases

As of May 31, 2018, the University does not have any final deficiency tax assessments with the BIR nor does it have tax cases outstanding or pending in courts or bodies outside of the BIR in any of the open taxable years.

FAR EASTERN UNIVERSITY

Nicanor Reyes Street
Sampaloc, Manila
P.O. Box 609 Philippines 1015
www.feu.edu.ph

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of ***Far Eastern University, Incorporated and Subsidiaries*** (the Group) is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended May 31, 2018 and May 31, 2017, and for the period ended May 31, 2016, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative to do so.

The Board of Trustees is responsible for overseeing the Group's financial reporting process.

The Board of Trustees reviews and approves the financial statements, including the schedules attached therein, and submits the same to the stockholders.

Punongbayan & Araullo, the independent auditors appointed by the stockholders, has audited the financial statements of the Group in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

AURELIO R. MONTINOLA, III
Chairman of the Board and
Chief Executive Officer

MICHAEL M. ALBA
President and Chief Operating Officer

JUAN MIGUEL R. MONTINOLA
Chief Finance Officer

SUBSCRIBED AND SWORN to before me this SEP 11 2018 day of ________, 2018, affiants exhibiting their Tax Identification Numbers (TIN) as follows:

Name	TIN	Place Issued
Aurelio R. Montinola, III	135-558-086	Philippines
Michael M. Alba	157-483-273	Philippines
Juan Miguel R. Montinola	115-203-243	Philippines

NOTARY PUBLIC

ENRICO G. GILERA
Notary Public for Manila
Until December 2019
PTR No. 7007693; 01.10.2018; Manila
IBP No. 1006097; 10.11.2017; Manila III
Roll No. 35149; May 27, 1988
MCLE Compliance No. V 0021389; May 4, 2016
Unit 403 Dona Consuelo Bldg.,
929 Nicanor Reyes Street, Manila
Tel No. 7364975

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Series of 2018

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

P	W	0	0	0	0	0	5	3	8	

Company Name

FAR EASTERN UNIVERSITY, INC.
AND SUBSIDIARIES

Principal Office (No./Street/Barangay/City/Town)Province)

NICANOR REYES, SR. STREET,
SAMPALOC, MANILA

Form Type	Department requiring the report	Secondary License Type, If Applicable
17-A	SEC	N/A

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
	735 - 8686	N/A

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
1,508	THIRD SATURDAY OF OCTOBER	May 31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
ATTY. SANTIAGO L. GARCIA, JR.	sgarcia@feu.edu.ph	735 - 8686	-

Contact Person's Address

NICANOR REYES, SR. STREET,
SAMPALOC, MANILA

Note: In case of death, resgination or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

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Report of Independent Auditors

The Board of Trustees and Stockholders
The Far Eastern University, Incorporated and Subsidiaries
Nicanor Reyes, Sr. Street
Sampaloc, Manila

Opinion

We have audited the consolidated financial statements of The Far Eastern University, Incorporated (the University) and subsidiaries (together hereinafter referred to as the Group), which comprise the consolidated statements of financial position as at May 31, 2018, 2017 and 2016 and the consolidated statements of profit or loss, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended May 31, 2018 and 2017 and the two months ended May 31, 2016, and the notes to consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at May 31, 2018, 2017 and 2016, and its consolidated financial performance and its consolidated cash flows for the periods then ended in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audits of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

As discussed more fully in Note 1 to the consolidated financial statements, On March 15, 2016, the Group changed its financial reporting period from a fiscal year beginning April 1 and ending March 31 to a fiscal year beginning June 1 and ending May 31. Accordingly, it has prepared and presented consolidated financial statements for the two months ended May 31, 2016. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(a) ***Recognition of Tuition and Other School Fees***

Description of the Matter

Tuition and other school fees amounted to P2.6 billion, which accounts for 98% of the total revenues of the Group, for the year ended May 31, 2018 as shown in the Group's consolidated statements of profit or loss and in Note 19 to the consolidated financial statements. It involves significant volume of transactions and the Group is dependent on its information technology infrastructure in processing such voluminous transactions. In addition, growth in tuition and other school fees is also one of the key performance measures used to assess the Group's performance. Relative to this, any potential misstatements related to tuition and other school fees could be material to the consolidated financial statements. We therefore identified recognition of tuition and other school fees as a significant risk requiring special audit consideration.

How the Matter was Addressed in the Audit

Our audit procedures included, among others, the following:

- obtaining an understanding of the tuition and other school fees revenue recognition policy of the Group and the related processes and controls;
- testing of design and operating effectiveness of internal controls, including information technology general controls (i.e., security administration, program maintenance and program execution) and application controls, related to the Group's recognition and measurement of tuition and other school fees, including the related scholarship merits and tuition fee discounts, and payments from students;
- examining students' enrollment transactions (i.e., through examination of tuition bills) and grant of scholarships merits and tuition fee discounts during the academic year;
- performing revenue cut-off test procedures including, among others, examining tuition bill transactions near period end, and analyzing and reviewing revenue adjustments subsequent to period end to determine whether tuition and other school fees are appropriately recognized in the proper period; and,

- performing substantive analytical review procedures over tuition and other school fees such as, but not limited to, current year's components of tuition and other school fees (e.g., by student population and by institute or college) as a percentage of total revenues, and yearly and monthly analyses of enrolment transactions based on our expectations, which include corroborating evidence from other audit procedures, and verifying the underlying data used in the analyses are valid and complete.

(b) ***Assessment of Goodwill Impairment***

Description of the Matter

As at May 31, 2018, the balance of goodwill amounts to P186.5 million, which arose from the acquisition of Roosevelt College, Inc. (RCI) in May 2016 as disclosed in Note 1 to the consolidated financial statements. Under PFRS, goodwill, having indefinite useful life, is not subject to amortization but is required to be tested for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying value of goodwill may be impaired. We have identified assessment of goodwill impairment as a key audit matter in our audit because management's assessment process is highly subjective being based on significant assumptions, such as revenue growth rate and discount rate, to determine the recoverable amount of the cash generating units (CGUs) where goodwill is allocated to and the future cash flows of that particular CGUs which are affected by expected future market or economic conditions. The more significant management's assumptions include:

- RCI, the CGU on which the goodwill is allocated to, will continue as a going concern;

- RCI will have sufficient financial resources to finance its working capital requirements to achieve its projected forecast and to support the business needs; and,

- RCI's growth in student population and viability of its performance forecasts for the next five years.

The Group's accounting policy on impairment of goodwill is included in Note 2 to the consolidated financial statements and the related disclosures are included in Notes 1 and 3.

How the Matter was Addressed in the Audit

Our audit procedures included, among others, evaluating the assumptions and methodologies (i.e., discounted cash flows method) used by management, particularly those relating to the forecasted tuition fee rates and number of students assumed to project revenue growth and profit margins of RCI. In doing so, we have considered historical and environmental trends. In addition, based on the results of our audit of the financial statements of RCI as of and for the year ended May 31, 2018, we did not identify events or conditions that may cast significant doubt on RCI's ability to continue as a going concern.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Group's Securities and Exchange Commission (SEC) Form 20-IS (Definitive Information Statement) and SEC Form 17-A (but does not include the consolidated financial statements and our auditors' report thereon) and Annual Report for the year ended May 31, 2018. The SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended May 31, 2018 are expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the 2018 audit resulting in this independent auditors' report is Mailene Sigue-Bisnar.

PUNONGBAYAN & ARAULLO

By: Mailene Sigue-Bisnar
Partner

CPA Reg. No. 0090230
TIN 120-319-128
PTR No. 6616003, January 3, 2018, Makati City
SEC Group A Accreditation
Partner - No. 0396-AR-3 (until Oct. 15, 2018)
Firm - No. 0002-FR-5 (until Mar. 26, 2021)
BIR AN 08-002511-20-2018 (until Jan. 25, 2021)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Dec. 31, 2018)

August 28, 2018

THE FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
MAY 31, 2018, 2017 AND 2016
(Amounts in Philippine Pesos)

	Notes		2018		2017 [As Restated – See Note 2.1(d)]		2016 [As Restated – See Note 2.1(d)]
A S S E T S							
CURRENT ASSETS							
Cash and cash equivalents	8	**P**	**855,331,501**	P	1,526,201,248	P	1,213,350,580
Trade and other receivables - net	9		**540,342,199**		450,070,055		448,084,700
Available-for-sale financial assets	11		**2,119,491,677**		2,139,654,834		2,156,987,745
Held-to-maturity investments	11		**-**		95,148,019		-
Real estate held-for-sale	12		**123,533,559**		141,547,959		121,613,876
Other current assets - net	16		**1,351,564,894**		679,676,599		216,964,837
Total Current Assets			**4,990,263,830**		5,032,298,714		4,157,001,738
NON-CURRENT ASSETS							
Trade and other receivables - net	9		**2,939,451**		1,701,014		2,176,503
Available-for-sale financial assets	11		**176,523,803**		138,991,746		458,092,841
Held-to-maturity investments	11		**297,284,616**		241,418,315		-
Investment in an associate - net	13		**6,490,925**		6,585,801		6,656,734
Property and equipment - net	14		**7,205,631,433**		6,056,297,863		5,710,321,560
Investment properties - net	15		**150,919,929**		185,847,743		203,682,720
Goodwill	1		**186,487,019**		186,487,019		186,487,019
Deferred tax assets - net	23		**18,135,377**		20,272,377		36,165,350
Other non-current assets	16		**152,718,025**		89,942,544		74,465,689
Total Non-current Assets			**8,197,130,578**		6,927,544,422		6,678,048,416
TOTAL ASSETS		**P**	**13,187,394,408**	P	11,959,843,136	P	10,835,050,154
LIABILITIES AND EQUITY							
CURRENT LIABILITIES							
Trade and other payables	17	**P**	**1,305,696,027**	P	961,758,143	P	822,391,312
Interest-bearing loans	18		**1,183,571,429**		332,857,143		8,166,667
Derivative liability	10		**38,255,313**		33,365,459		20,520,000
Deferred revenues	2, 19		**176,907,478**		75,199,534		116,258,743
Provisions	28		**20,076,543**		19,694,375		48,467,365
Income tax payable			**17,953,833**		22,006,031		53,440,444
Total Current Liabilities			**2,742,460,623**		1,444,880,685		1,069,244,531
NON-CURRENT LIABILITIES							
Interest-bearing loans	18		**1,333,571,429**		1,617,142,857		1,484,166,667
Post-employment benefit obligation	22		**46,138,632**		59,800,703		64,710,710
Deferred tax liabilities - net	23		**19,489,685**		10,697,213		4,360,135
Other non-current liabilities			**4,336,911**		4,696,331		3,987,592
Total Non-current Liabilities			**1,403,536,657**		1,692,337,104		1,557,225,104
Total Liabilities			**4,145,997,280**		3,137,217,789		2,626,469,635
EQUITY							
Equity attributable to owners of the parent company							
Capital stock	25		**1,651,435,400**		1,651,435,400		1,651,435,400
Treasury stock - at cost	25	**(**	**63,265,755)**	(	49,362,563)	(	38,655,641)
Revaluation reserves	11, 22	**(**	**25,739,204)**		39,707,565		62,622,697
Other reserves	2	**(**	**57,785,452)**	(	57,785,452)		-
Retained earnings	25		**5,357,541,295**		5,128,123,327		4,740,344,176
Total equity attributable to owners of parent company			**6,862,186,284**		6,712,118,277		6,415,746,632
Non-controlling interests	25		**2,179,210,844**		2,110,507,070		1,792,833,887
Total Equity			**9,041,397,128**		8,822,625,347		8,208,580,519
TOTAL LIABILITIES AND EQUITY		**P**	**13,187,394,408**	P	11,959,843,136	P	10,835,050,154

See Notes to Consolidated Financial Statements.

THE FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE YEARS ENDED MAY 31, 2018 AND 2017
AND THE TWO MONTHS ENDED MAY 31, 2016
(Amounts in Philippine Pesos)

	Notes	**May 31, 2018 (One Year)**	May 31, 2017 (One Year)	May 31, 2016 (Two Months – See Note 1)
REVENUES				
Educational	19			
Tuition fees - net		**P 2,429,326,661**	P 2,710,248,681	P 112,897,745
Other school fees		**190,854,536**	106,582,390	9,298,316
		2,620,181,197	2,816,831,071	122,196,061
Rental	15	**42,028,413**	43,430,248	10,802,341
		2,662,209,610	2,860,261,319	132,998,402
COSTS AND OPERATING EXPENSES	20	**(2,182,296,116)**	(2,095,567,965)	(353,456,593)
OTHER OPERATING INCOME	2	**3,998,242**	2,559,803	-
OPERATING INCOME (LOSS)		**483,911,736**	767,253,157	(220,458,191)
FINANCE INCOME	21	**193,493,393**	180,126,492	31,513,101
FINANCE COSTS	21	**(95,374,284)**	(88,837,546)	(6,278,408)
OTHER INCOME	2, 17	**58,204,886**	69,263,938	13,122,882
OTHER CHARGES	13	**(94,876)**	(70,933)	-
PROFIT (LOSS) BEFORE TAX		**640,140,855**	927,735,108	(182,100,616)
TAX INCOME (EXPENSE)	23	**(92,509,844)**	(121,282,797)	15,538,697
NET PROFIT (LOSS)		**P 547,631,011**	P 806,452,311	(P 166,561,919)
Net Profit Attributable to:				
Owners of the parent company	26	**P 492,229,280**	P 749,519,197	(P 166,280,222)
Non-controlling interests		**55,401,731**	56,933,114	(281,697)
		P 547,631,011	P 806,452,311	(P 166,561,919)
Earnings (Loss) Per Share				
Basic and Diluted	26	**P 29.96**	P 45.61	(P 10.11)

See Notes to Consolidated Financial Statements.

THE FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED MAY 31, 2018 AND 2017
AND THE TWO MONTHS ENDED MAY 31, 2016
(Amounts in Philippine Pesos)

	Notes	**May 31, 2018 (One Year)**	May 31, 2017 (One Year)	May 31, 2016 (Two Months – See Note 1)
NET PROFIT (LOSS)		**P 547,631,011**	P 806,452,311	(P 166,561,919)
OTHER COMPREHENSIVE INCOME (LOSS)				
Item that will be reclassified subsequently to profit or loss				
Fair value gains (losses) on available-for-sale financial assets - net of tax	11			
Fair value gains (losses) during the period		**(42,575,497)**	10,347,633	22,298,888
Fair value gains reclassified to profit or loss		**(29,589,323)**	(36,850,401)	(3,253,153)
		(72,164,820)	(26,502,768)	19,045,735
Item that will not be reclassified subsequently to profit or loss				
Gains on remeasurement of post-employment benefit plan	22	**8,183,762**	6,980,564	-
Tax effect	23	**(818,376)**	(698,056)	-
		7,365,386	6,282,508	
Other Comprehensive Income (Loss) - Net of tax		**(64,799,434)**	(20,220,260)	19,045,735
TOTAL COMPREHENSIVE INCOME (LOSS)		**P 482,831,577**	P 786,232,051	(P 147,516,184)
Total Comprehensive Income Attributable to:				
Owners of the parent company		**P 426,782,511**	P 726,604,065	(P 148,654,871)
Non-controlling interests		**56,049,066**	59,627,986	1,138,687
		P 482,831,577	P 786,232,051	(P 147,516,184)

See Notes to Consolidated Financial Statements.

THE FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED MAY 31, 2018 AND 2017
AND THE TWO MONTHS ENDED MAY 31, 2016
(Amounts in Philippine Pesos)

		Attributable to Owners of the Parent Company								
			Treasury Stock -	Revaluation	Other	Retained Earnings			Non-controlling	
	Notes	Capital Stock	at Cost	Reserves	Reserves	Appropriated	Unappropriated	Total	Interests	Total Equity
Balance at June 1, 2017		P 1,651,435,400	(P 49,362,563)	P 39,707,565	(P 57,785,452)	P 2,573,733,100	P 2,554,390,227	P 5,128,123,327	P 2,110,507,070	P 8,822,625,347
Transactions with owners										
Issuance of shares of stock	25		-	-	-	-	-	-	50,000,000	50,000,000
Acquisition of treasury stock	25	-	(13,903,192)	-	-	-	-	-	-	(13,903,192)
Cash dividends	25	-	-	-	-	-	(262,811,312)	(262,811,312)	(37,345,292)	(300,156,604)
		-	(13,903,192)	-	-	-	(262,811,312)	(262,811,312)	12,654,708	(264,059,796)
Appropriations of retained earnings										
Reversal of appropriations during the year	25	-	-	-	-	(250,000,000)	250,000,000	-	-	-
Appropriations during the year	25	-	-	-	-	520,000,000	(520,000,000)	-	-	-
		-	-	-	-	270,000,000	(270,000,000)	-	-	-
Total comprehensive income (loss)										
Net profit for the year		-	-	-	-	-	492,229,280	492,229,280	55,401,731	547,631,011
Other comprehensive income (loss)	11, 22	-	-	(65,446,769)	-	-	-	-	647,335	(64,799,434)
		-	-	(65,446,769)	-	-	492,229,280	492,229,280	56,049,066	482,831,577
Balance at May 31, 2018		**P 1,651,435,400**	**(P 63,265,755)**	**(P 25,739,204)**	**(P 57,785,452)**	**P 2,843,733,100**	**P 2,513,808,195**	**P 5,357,541,295**	**P 2,179,210,844**	**P 9,041,397,128**
Balance at June 1, 2016		P 1,651,435,400	(P 38,655,641)	P 62,622,697	P -	P 2,573,733,100	P 2,166,611,076	P 4,740,344,176	P 1,792,833,887	P 8,208,580,519
Transactions with owners										
Issuance of shares of stock		-	-	-	-	-	-	-	416,500,000	416,500,000
Acquisition of treasury stock	25	-	(10,706,922)	-	-	-	-	-	-	(10,706,922)
Cash dividends	25	-	-	-	-	-	(361,740,046)	(361,740,046)	(36,095,292)	(397,835,338)
Reduction in non-controlling interest	2	-	-	-	(57,785,452)	-	-	-	(122,359,511)	(180,144,963)
		-	(10,706,922)	-	(57,785,452)	-	(361,740,046)	(361,740,046)	258,045,197	(172,187,223)
Total comprehensive income (loss)										
Net profit for the year		-	-	-	-	-	749,519,197	749,519,197	56,933,114	806,452,311
Other comprehensive income (loss)	11, 22	-	-	(22,915,132)	-	-	-	-	2,694,872	(20,220,260)
		-	-	(22,915,132)	-	-	749,519,197	749,519,197	59,627,986	786,232,051
Balance at May 31, 2017		P 1,651,435,400	(P 49,362,563)	P 39,707,565	(P 57,785,452)	P 2,573,733,100	P 2,554,390,227	P 5,128,123,327	P 2,110,507,070	P 8,822,625,347

	Notes	Capital Stock	Treasury Stock - at Cost	Revaluation Reserves	Other Reserves	Retained Earnings: Appropriated	Retained Earnings: Unappropriated	Retained Earnings: Total	Non-controlling Interests	Total Equity
		Attributable to Owners of the Parent Company								
Balance at April 1, 2016		P 1,651,435,400	(P 33,855,641)	P 44,997,346	P -	P 2,573,733,100	P 2,332,891,298	P 4,906,624,398	P 1,651,579,396	P 8,220,780,899
Transactions with owners										
Acquisition of treasury stock	25	-	(4,800,000)	-	-	-	-	-	-	(4,800,000)
Acquisition of a new subsidiary	1	-	-	-	-	-	-	-	140,115,804	140,115,804
Reduction in non-controlling interest		-	-	-	-	-	-	-	-	-
		-	(4,800,000)	-	-	-	-	-	140,115,804	135,315,804
Total comprehensive income (loss)										
Net loss for the period		-	-	-	-	-	(166,280,222)	(166,280,222)	(281,697)	(166,561,919)
Other comprehensive income	11	-	-	17,625,351	-	-	-	-	1,420,384	19,045,735
		-	-	17,625,351	-	-	(166,280,222)	(166,280,222)	1,138,687	(147,516,184)
Balance at May 31, 2016		P 1,651,435,400	(P 38,655,641)	P 62,622,697	P -	P 2,573,733,100	P 2,166,611,076	P 4,740,344,176	P 1,792,833,887	P 8,208,580,519

See Notes to Consolidated Financial Statements.

THE FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MAY 31, 2018 AND 2017
AND THE TWO MONTHS ENDED MAY 31, 2016
(Amounts in Philippine Pesos)

	Notes	**May 31, 2018 (One Year)**	May 31, 2017 (One Year)	May 31, 2016 (Two Months – See Note 1)
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) before tax		**P 640,140,855**	P 927,735,108	(P 182,100,616)
Adjustments for:				
Depreciation and amortization	20	**306,332,605**	302,109,262	44,988,574
Interest income	21	**(100,670,612)**	(105,320,467)	(13,954,639)
Interest expense	21	**83,798,889**	46,753,278	2,738,708
Other investment income from available-for-sale (AFS) financial assets	21	**(55,830,535)**	(38,740,963)	(8,627,316)
Foreign exchange gains - net	21	**(36,992,246)**	(36,065,062)	(8,931,146)
Impairment losses on property and equipment	14	**2,804,401**	-	-
Share in net losses of an associate	13	**94,876**	70,933	-
Operating profit (loss) before working capital changes		**839,678,233**	1,096,542,089	(165,886,435)
Decrease (increase) in trade and other receivables		**(5,779,683)**	18,261,355	213,697,701
Increase in real estate held-for-sale		**(2,913,559)**	(46,710,342)	-
Decrease (increase) in other assets		**(558,507,470)**	(85,788,080)	2,562,268
Increase (decrease) in trade and other payables		**283,442,601**	103,028,339	(45,466,886)
Increase in derivative liability		**4,889,854**	12,845,459	2,447,700
Increase (decrease) in deferred revenues		**101,707,944**	(41,059,209)	(12,598,455)
Increase (decrease) in provisions		**382,168**	(28,772,990)	48,467,365
Increase (decrease) in post-employment benefit obligation		**(13,662,071)**	1,372,501	64,710,710
Increase (decrease) in other non-current liabilities		**(359,420)**	708,739	(123,232,535)
Cash generated from (used in) operations		**648,878,597**	1,030,427,861	(15,298,567)
Income taxes paid		**(73,130,079)**	(105,811,268)	(3,646,805)
Net Cash From (Used in) Operating Activities		**575,748,518**	924,616,593	(18,945,372)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of AFS financial assets	11	**(2,664,941,069)**	(2,762,841,360)	(336,246,224)
Proceeds from disposal of AFS financial assets	11	**2,578,601,829**	2,792,596,182	352,841,362
Acquisitions of property and equipment	14	**(1,425,171,003)**	(571,978,810)	(45,509,395)
Advance payments for campus construction	16	**(186,413,356)**	(404,924,056)	-
Interest received	11	**155,617,427**	75,493,688	19,352,832
Proceeds from maturity of held-to-maturity (HTM) investments	11	**102,743,344**	30,297,340	-
Acquisition of HTM investments	11	**(52,500,099)**	(15,000,000)	-
Additions to investment properties	15	**(22,313,379)**	(26,564,345)	(4,425,317)
Advances granted to related parties	24	**(16,756,062)**	(6,832,457)	(2,073,341)
Acquisition of new subsidiaries	1	**-**	(180,144,963)	(662,212,668)
Net Cash Used in Investing Activities		**(1,531,132,368)**	(1,069,898,781)	(678,272,751)
Balance carried forward		**(955,383,850)**	(145,282,188)	(697,218,123)

	Notes	May 31, 2018 (One Year)	May 31, 2017 (One Year)	May 31, 2016 (Two Months – See Note 1)
Balance brought forward		**(P 955,383,850)**	(P 145,282,188)	(P 697,218,123)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from interest-bearing loans	18, 30	**795,000,000**	470,000,000	800,000,000
Dividends paid	25	**(242,812,818)**	(374,228,241)	(1,627,770)
Repayments of interest-bearing loans	18, 30	**(227,857,142)**	(12,333,334)	-
Interest paid	14	**(80,647,392)**	(32,540,909)	(1,484,672)
Proceeds from issuance of preferred shares to a related party under common management	24	**50,000,000**	416,500,000	-
Acquisition of treasury shares	25	**(13,903,192)**	(10,706,922)	(4,800,000)
Net Cash From Financing Activities		**279,779,456**	456,690,594	792,087,558
Cash and Cash Equivalents of Newly-acquired Subsidiary	1	**-**	-	28,115,587
Effect of Exchange Rate Changes on Cash and Cash Equivalents		**4,734,647**	1,442,262	781,021
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(670,869,747)**	312,850,668	123,766,043
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD		**1,526,201,248**	1,213,350,580	1,089,584,537
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**P 855,331,501**	P 1,526,201,248	P 1,213,350,580

Supplemental Information on Noncash Investing and Financing Activities:

1) In fiscal year 2017 and 2016, the University acquired 17.73% and 79.72% equity interest in a school for P179.7 million and respectively, of which P36.2 million and P146.1 million, respectively, were not paid in the period of acquisition (see Note 17).

2) In 2018 and 2016, the Group capitalized borrowing costs amounting to P15.9 million and P3.9 million as part of acquisitions of property and equipment (see Note 14).

3) In 2018, 2017 and 2016, certain assets amounting to P4.0 million, P48.1 million and P263.4 million, respectively, were reclassified from Investment Property to Property and Equipment, and certain assets amounting to P20.9 million, P26.8 million and P9.9 million, respectively, were reclassified from Real Estate Held for Sale to Investment Property (see Notes 12, 14 and 15).

4) During the years ended May 31, 2018 and 2017 the University declared cash dividends totaling P262.8 million and P361.7 million, respectively, of which, P18.6 million and P21.9 million, respectively, were not paid in the year of declaration (see Notes 17 and 25). No dividends were declared during the two months ended May 31, 2016.

5) During the year ended May 31, 2017, the University reclassified investments from Available-for-sale Financial Assets amounting to P335.8 million to Held-to-maturity Investments (see Note 11).

See Notes to Consolidated Financial Statements.

THE FAR EASTERN UNIVERSITY, INCORPORATED
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MAY 31, 2018, 2017 AND 2016
(Amounts in Philippine Pesos)

1. CORPORATE INFORMATION

1.1 Background of the University

The Far Eastern University, Incorporated (the University, FEU or parent company) is a domestic educational institution founded in June 1928, incorporated in the Philippines and was registered with the Securities and Exchange Commission (SEC) on October 27, 1933. On October 27, 1983, the University extended its corporate life to another 50 years. It became a listed corporation in the Philippine Stock Exchange (PSE) on July 11, 1986.

The University is a private, non-sectarian institution of learning comprising the following institutes that offer specific courses, namely, Institute of Arts and Sciences; Institute of Accounts, Business and Finance; Institute of Education; Institute of Architecture and Fine Arts; Institute of Nursing; Institute of Tourism and Hotel Management; and, Institute of Law.

Several programs of FEU, such as Liberal Arts, Applied Mathematics, Biology, Accountancy, Business Administration, Tourism, Fine Arts, and Education, are accredited by the Philippine Association of Colleges and Universities Commission on Accreditation.

As at May 31, 2018, 2017 and 2016, the University holds interest in the following subsidiaries and associate which were all incorporated and are operating in the Philippines (see Notes 1.2 and 13):

	Percentage of Effective Ownership		
Company Name	**2018**	2017	2016
Subsidiaries:			
East Asia Computer Center, Inc. (EACCI)	**100%**	100%	100%
Far Eastern College – Silang, Inc. (FECSI)	**100%**	100%	100%
FEU Alabang, Inc. (FEUAI)	**100%**	100%	100%
FEU High School, Inc. (FEU High)	**100%**	100%	100%
Roosevelt College, Inc. (RCI)	**97.43%**	97.43%	79.72%
Roosevelt College Educational Enterprises (RCEE)*	**97.43%**	97.43%	79.72%
Fern Realty Corporation (FRC)	**37.52%**	37.52%	37.52%
Associate –			
Juliana Management Company, Inc. (JMCI)	**49%**	49%	49%

** Indirectly through the University's ownership of RCI which owns 100% ownership interest in RCEE (see Note 1.2)*

The parent company and its subsidiaries are collectively referred to herein as the Group.

Similar to the University, EACCI, FECSI, FEUAI and RCI were established to operate as educational institutions offering general courses of study. FRC, on the other hand, operates as a real estate company leasing most of its investment properties to the University and other related parties, while RCEE is presently engaged in selling educational school supplies and snacks in the campuses of RCI.

On June 24, 2014, FEU High was established to offer and conduct enhanced basic education programs. It is now offering various tracks for senior high school in response to the implementation of the K-12 program.

As at May 31, 2018, FEUAI is the only subsidiary of the University that has not yet started commercial operations, and will be conferred as a school by the Department of Education and Commission on Higher Education only after the construction of its school building (see Note 14). Subsequent to the end of the fiscal year, FEUAI started its operations in August 2018.

1.2 Acquisition of New Subsidiaries

On May 12, 2016, pursuant to the Share Purchase Agreement (SPA) entered into between FEU and the selling stockholders of RCI for the sale and purchase of 99.42% of RCI's issued and outstanding shares, the University acquired a total of 235,427 shares of stock of RCI. The acquired shares account for 79.72% of the total outstanding shares of RCI, thereby, making it a subsidiary of the University as of May 31, 2016.

During the year ended May 31, 2017, the University acquired additional 52,349 shares of stock of RCI from various selling stockholders of RCI. The additional shares are equivalent to 17.71% of the total outstanding shares of RCI. As of May 31, 2018 and 2017, the University already owns 97.43% of RCI's total outstanding shares.

As of May 31, 2018, 2017 and 2016, RCI owns 100% ownership interest in RCEE which was incorporated in 1992.

As at the acquisition date, the fair value of the University's share in RCI's net identifiable assets amounts to P621.8 million resulting in the recognition of goodwill amounting to P186.5 million. The goodwill arising from the acquisition consists largely of the synergies and economies of scale expected from combining the operations of the University and RCI. The goodwill recognized is subject to annual impairment testing [see Notes 2.4, 2.16 and 3.2(e)].

The table presented in the succeeding page summarizes the consideration paid for the equity interest of RCI's selling shareholders and the assets acquired and liabilities assumed, as well as the fair value at the acquisition date of the non-controlling interests (NCI) in RCI. For purposes of determining the goodwill, the University determined the fair value of the identified net assets as of May 12, 2017.

Consideration given:	
Cash	P 662,212,668
Retention payable	146,061,137
Assumed liabilities	24,000,000
	832,273,805
Identifiable assets acquired and liabilities assumed:	
Cash	28,115,587
Trade and other receivables – net	17,870,843
Property and equipment – net	1,019,114,171
Other assets	9,307,899
Trade and other payables	(92,940,769)
Deferred revenues	(62,093,638)
Due to related parties	(31,960,094)
Loans payable	(12,333,334)
Post-employment benefit obligation	(64,710,710)
Provisions	(48,467,365)
Net identifiable assets	761,902,590
NCI in RCI	(140,115,804)
	621,786,786
Goodwill	P 186,487,019

Pursuant to the SPA, portion of the cash consideration given is retained by the University to ensure compliance by the selling shareholders of RCI to certain terms of the SPA (see Note 17).

1.3 Change in Fiscal Year

On March 15, 2016, the University's Board of Trustees (BOT) approved the amendment of its by-laws for the change in the University's current fiscal year from a fiscal year beginning on April 1 and ending on March 31, to a fiscal year beginning on June 1 and ending on May 31. The amended by-laws were approved by the SEC on June 29, 2016. The University's application for change in fiscal year was approved by the Bureau of Internal Revenue (BIR) on June 30, 2016. Such change is effective on June 1, 2016.

Also, on April 7, 2016, EACCI's Board of Directors (BOD) approved the amendment of its by-laws for the change in its current fiscal year from a fiscal year beginning May 1 and ending on April 30, to a fiscal year beginning on July 1 and ending on June 30. The amended by-laws were approved by the SEC on May 23, 2016. EACCI's application for change in fiscal year was approved by the BIR on April 22, 2016. Such change is effective on July 1, 2016.

1.4 Other Corporate Information

The University also has a campus in Makati, which offers Law, Accountancy, Business and Information Technology education.

The registered offices and principal places of business of the University and its subsidiaries and associate are as follows:

FEU and FEU High	-	Nicanor Reyes, Sr. Street, Sampaloc, Manila
EACCI	-	P. Paredes Street, Sampaloc, Manila
FECSI	-	Metrogate Silang Estates, Silang, Cavite
FEUAI	-	Lot 1, Corporate Woods cor. South Corporate Avenues, Woods District, Filinvest City, Alabang, Muntinlupa City
FRC	-	Administration Building, FEU Compound, Nicanor Reyes, Sr. Street, Sampaloc, Manila
RCI	-	No. 54 J. P. Rizal Street, Lamuan, Marikina City
RCEE	-	Roosevelt College Compound, Sumulong Highway, Cainta, Rizal
JMCI	-	E. Rodriguez Jr. Avenue corner Cpl. Cruz St., Bagong Ilog, Pasig City

1.5 Approval for Issuance of Consolidated Financial Statements

The consolidated financial statements of the Group as of and for the year ended May 31, 2018 (including the comparative consolidated financial statements as of and for the periods ended May 31, 2017 and 2016) were authorized for issue by the BOT on August 28, 2018.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarized below and in the succeeding pages. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of Preparation of the Consolidated Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PFRS are adopted by the Financial Reporting Standards Council (FRSC) from the pronouncements issued by the International Accounting Standards Board, and approved by the Philippine Board of Accountancy.

The consolidated financial statements have been prepared using the measurement bases specified by PFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) Presentation of the Consolidated Financial Statements

The consolidated financial statements are presented in accordance with Philippine Accounting Standard (PAS) 1, *Presentation of Financial Statements*. The Group presents the consolidated statements of comprehensive income separate from the consolidated statements of profit or loss.

The Group presents three comparative periods for the consolidated statements of financial position regardless whether the Group has or does not have retrospective restatement of items in its consolidated financial statements, or reclassifies items in the consolidated financial statements.

(c) *Functional Currency*

These consolidated financial statements are presented in Philippine pesos, the Group's functional and presentation currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the consolidated financial statements of the Group are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Group operates.

(d) *Retrospective Reclassification of Accounts and Correction of Prior Period Error*

The Group made retrospective reclassifications in its statements of financial position as of May 31, 2017 and 2016 relating to certain accounts to conform with the current presentation. Also, the Group corrected a prior period error relating to the reclassification of cost of land attributable to the Group as to whether owner-occupied or held for accretion of wealth (see Notes 14 and 15). These reclassifications and correction did not result in any adjustment to the balances of total comprehensive income or total equity as previously reported.

Presented below are the analysis of the effects of the reclassifications and restatements on certain accounts in the statement of financial position for the two periods.

	May 31, 2017		
	As Previously Reported	Effects of Reclassifications	As Restated
Changes in assets:			
Current:			
Trade and other receivables – net	P 446,699,264	P 3,370,791	P 450,070,055
Other current assets – net	680,352,309	(675,710)	679,676,599
		2,695,081	
Non-current:			
Property and equipment – net	5,675,099,744	381,198,119	6,056,297,863
Investment properties – net	567,045,862	(381,198,119)	185,847,743
Other non-current assets	88,942,544	1,000,000	89,942,544
		1,000,000	
		3,695,081	
Change in liabilities –			
Trade and other payables	958,063,062	(3,695,081)	961,758,143
Net change in equity		P -	

		May 31, 2016				
		As Previously Reported		Effects of Reclassifications		As Restated
Changes in assets:						
Current:						
Trade and other receivables – net	P	433,168,059	P	14,916,641	P	448,084,700
Other current assets – net		230,681,738	(	13,716,901)		216,964,837
				1,199,740		
Non-current –						
Other non-current assets		73,465,689		1,000,000		74,465,689
				2,199,740		
Change in liabilities –						
Trade and other payables		820,191,572	(	2,199,740)		822,391,312
Net change in equity			P	-		

2.2 Adoption of Amended PFRS

(a) Effective in Fiscal Year 2018 that are Relevant to the Group

The Group adopted the following amendments and annual improvements to PFRS, which are mandatorily effective for the annual periods beginning on or after January 1, 2017:

PAS 7 (Amendments)	:	Statement of Cash Flows – Disclosure Initiative
PAS 12 (Amendments)	:	Income taxes – Recognition of Deferred Tax Assets for Unrealized Losses
Annual Improvements to PFRS (2014-2016 Cycle)		
PFRS 12	:	Disclosure of Interest in Other Entities – Scope Clarification on Disclosure of Summarized Financial Information for Interests Classified as Held-for-Sale

Discussed as follows are relevant information about these amendments and improvements.

(i) PAS 7 (Amendments), *Statement of Cash Flows – Disclosure Initiative.* The amendments are designed to improve the quality of information provided to users of financial statements about changes in an entity's debt and related cash flows and non-cash changes. They require an entity to provide disclosures that enable users to evaluate changes in liabilities arising from financing activities. An entity applies its judgment when determining the exact form and content of the disclosures needed to satisfy this requirement. Moreover, they suggest a number of specific disclosures that may be necessary in order to satisfy the above requirement, including: (a) changes in liabilities arising from financing activities caused by changes in financing cash flows, foreign exchange rates or fair values, or obtaining or losing control of subsidiaries or other businesses; and, (b) a reconciliation of the opening and closing balances of liabilities arising from financing activities in the statement of financial position including those changes identified immediately above.

Management has applied these amendments in the current year and has not disclosed comparative figures as allowed by the transitional provisions. A reconciliation between the opening and closing balances of liabilities arising from financing activities, which includes both cash and non-cash changes, are presented in Note 30.

(ii) PAS 12 (Amendments), *Income Taxes – Recognition of Deferred Tax Assets for Unrealized Losses*. The focus of the amendments is to clarify how to account for deferred tax assets related to debt instruments measured at fair value, particularly where changes in the market interest rate decrease the fair value of a debt instrument below cost. The amendments provide guidance in the following areas where diversity in practice previously existed: (a) existence of a deductible temporary difference; (b) recovering an asset for more than its carrying amount; (c) probable future taxable profit against which deductible temporary differences are assessed for utilization; and, (d) combined versus separate assessment of deferred tax asset recognition for each deductible temporary difference. The application of these amendments has no significant impact on the Group's consolidated financial statements.

(iii) Annual improvements to PFRS (2014 - 2016 Cycle) – PFRS 12, *Disclosure of Interests in Other Entities – Scope Clarification on Disclosure of Summarized Financial Information for Interests Classified as Held-for-Sale*. The amendment clarifies that the disclosure requirements of PFRS 12 applies to interest in other entities classified as held for sale with practical concession in the presentation of summarized financial information. The amendment states that an entity need not present summarized financial information for interests in subsidiaries, associates, or joint ventures that are classified as held for sale. The amendment did not result in additional or changes in the disclosures in the consolidated financial statements as the Group has no interest in other entities that is classified as held for sale.

(b) Effective in Fiscal Year 2018 that are not Relevant to the Group

There are new PFRS, amendments and annual improvements to existing standards effective for annual periods subsequent to fiscal year 2018, which are adopted by the FRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, unless otherwise stated, none of these are expected to have significant impact on the Group's consolidated financial statements:

(i) PAS 40 (Amendments), *Investment Property – Reclassification to and from Investment Property* (effective from January 1, 2018). The amendments state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. The amendment also provided a non-exhaustive list of examples constituting change in use.

(ii) PFRS 9 (2014), *Financial Instruments* (effective from January 1, 2018). This new standard on financial instruments will replace PAS 39 (*Financial Instruments: Recognition and Measurement*) and PFRS 9 (2009, 2010 and 2013 versions). This standard contains, among others, the following:

- three principal classification categories for financial assets based on the business model on how an entity is managing its financial instruments;

- an expected loss model in determining impairment of all financial assets that are not measured at fair value through profit or loss (FVTPL), which generally depends on whether there has been a significant increase in credit risk since initial recognition of a financial asset; and,

- a new model on hedge accounting that provides significant improvements principally by aligning hedge accounting more closely with the risk management activities undertaken by entities when hedging their financial and non-financial risk exposures.

In accordance with the financial asset classification principle of PFRS 9 (2014), a financial asset is classified and measured at amortized cost if the asset is held within a business model whose objective is to hold financial assets in order to collect the contractual cash flows that represent solely payments of principal and interest (SPPI) on the principal outstanding. Moreover, a financial asset is classified and subsequently measured at fair value through other comprehensive income (FVTOCI) if it meets the SPPI criterion and is held in a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets. All other financial assets are measured at FVTPL.

In addition, PFRS 9 (2014) allows entities to make an irrevocable election to present subsequent changes in the fair value of an equity instrument that is not held for trading in other comprehensive income.

The accounting for embedded derivatives in host contracts that are financial assets is simplified by removing the requirement to consider whether or not they are closely related, and, in most arrangements, does not require separation from the host contract.

For liabilities, the standard retains most of the PAS 39 requirements which include amortized cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The standard also requires changes in the fair value of an entity's own debt instruments caused by changes in its own credit quality to be recognized in other comprehensive income rather than in profit or loss.

Based on an assessment of the Group's financial assets and liabilities as at May 31, 2018, which has been limited to the facts and circumstances existing at that date, management has identified the following areas that are expected to be most impacted by the application of PFRS 9 (2014):

- On classification and measurement of the Group's financial assets, management holds most financial assets to collect the associated cash flows and is currently assessing the underlying types of cash flows to classify financial assets correctly. Management expects that all of the Group's financial assets currently classified as loans and receivables and held-to-maturity (HTM) investments will continue to be classified and accounted for at amortized cost.

- The Group's equity securities, including those investments in unit investment trust funds (UITF) whose underlying assets are in equity securities, currently classified as available-for-sale (AFS) financial assets will be measured at fair value with changes in fair value presented either in profit or loss or in other comprehensive income. To present changes in other comprehensive income requires making an irrevocable designation on initial recognition or at the date of transition.

- Government securities and corporate bonds currently classified as AFS financial assets have fixed interest rates and defined maturity dates (see Note 11). The Group initially assessed that the contractual cash flows of these debt securities qualify under the SPPI test and under held-to-collect and sell business model. Thus, these debt securities will continue to be measured at fair value, with mark-to-market fluctuations recognized in OCI subject to recycling upon disposal of these securities.

- The ECL model will apply to the Group's certain receivables and debt securities under AFS financial assets and held-to-maturity investments. For tuition and other school fees receivables and other financial assets, the Group will apply a simplified model of recognizing lifetime expected credit losses as these items do not have a significant financing component.

- The existing financial liabilities of the Group is measured at amortized cost, except for its derivative liability which is measured at fair value. Upon adoption of PFRS 9 (2014), management has assessed that the classifications for the financial liabilities will be retained.

(iii) PFRS 15, *Revenue from Contracts with Customers* (effective from January 1, 2018). This standard will replace PAS 18, *Revenue*, and PAS 11, *Construction Contracts*, the related Interpretations on revenue recognition: International Financial Reporting Interpretations Committee (IFRIC) 13, *Customer Loyalty Programmes*, IFRIC 15, *Agreement for the Construction of Real Estate*, IFRIC 18, *Transfers of Assets from Customers*, and Standing Interpretations Committee 31, *Revenue – Barter Transactions Involving Advertising Services*. This new standard establishes a comprehensive framework for determining when to recognize revenue and how much revenue to recognize. The core principle in the said framework is for an entity to recognize revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Based on the Group's initial assessment of its revenue streams as at May 31, 2018, which has been limited to the facts and circumstances existing at that date, management determined that its significant source of revenue pertains to educational revenues, which will be in scope of PFRS 15.

(iv) IFRIC 22, *Foreign Currency Transactions and Advance Consideration – Interpretation on Foreign Currency Transactions and Advance Consideration* (effective from January 1, 2018). The interpretation provides more detailed guidance on how to account for transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation states that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary asset (arising from advance payment) or liability (arising from advance receipt). If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

Management has initially assessed that this interpretation has no material impact on the Group's consolidated financial statements.

(v) Annual Improvements to PFRS 2014-2016 Cycle. Among the improvements, PAS 28 (Amendments), *Investment in Associates – Clarification on Fair Value through Profit or Loss Classification* (effective from January 1, 2018) is relevant to the University. The amendments clarify that the option for venture capital organization, mutual funds and other similar entities to elect the fair value through profit or loss classification in measuring investments in associates and joint ventures shall be made at initial recognition, separately for each associate or joint venture.

Management has initially assessed that these amendments have no material impact on the Group's consolidated financial statements.

(vi) PAS 28 (Amendments), *Investment in Associates – Long-term Interest in Associates and Joint Venture* (effective from January 1, 2019). The amendments clarify that the scope exclusion in PFRS 9 (2014) applies only to ownership interests accounted for using the equity method. Thus, the amendments further clarify that long-term interests in an associate or joint venture – to which the equity method is not applied – must be accounted for under PFRS 9 (2014), which shall also include long-term interests that, in substance, form part of the entity's net investment in an associate or joint venture. Management is currently assessing the impact of these amendments on the Group's consolidated financial statements.

(vii) PFRS 9 (Amendments), *Financial Instruments – Prepayment Features with Negative Compensation* (effective from January 1, 2019). The amendments clarify that prepayment features with negative compensation attached to financial instruments may still qualify under the SPPI test. As such, the financial assets containing prepayment features with negative compensation may still be classified at amortized cost or at FVTOCI. Management is currently assessing the impact of these amendments on the Group's consolidated financial statements.

(viii) PFRS 16, *Leases* (effective from January 1, 2019). The new standard will eventually replace PAS 17, *Leases*.

For lessees, it requires to account for leases "on-balance sheet" by recognizing a "right-of-use" asset and a lease liability. The lease liability is initially measured as the present value of future lease payments. For this purpose, lease payments include fixed, non-cancellable payments for lease elements, amounts due under residual value guarantees, certain types of contingent payments and amounts due during optional periods to the extent that extension is reasonably certain. In subsequent periods, the "right-of-use" asset is accounted for similarly to a purchased asset and depreciated or amortized. The lease liability is accounted for similarly to a financial liability using the effective interest method. However, the new standard provides important reliefs or exemptions for short-term leases and leases of low value assets. If these exemptions are used, the accounting is similar to operating lease accounting under PAS 17 where lease payments are recognized as expenses on a straight-line basis over the lease term or another systematic basis (if more representative of the pattern of the lessee's benefit).

For lessors, lease accounting is similar to PAS 17's. In particular, the distinction between finance and operating leases is retained. The definitions of each type of lease, and the supporting indicators of a finance lease, are substantially the same as PAS 17's. The basic accounting mechanics are also similar, but with some different or more explicit guidance in few areas. These include variable payments, sub-leases, lease modifications, the treatment of initial direct costs and lessor disclosures.

Management is currently assessing the impact of this new standard on the Group's consolidated financial statements.

(ix) IFRIC 23, *Uncertainty over Income Tax Treatments* (effective from January 1, 2019). The interpretation provides clarification on the determination of taxable profit, tax bases, unused tax losses, unused tax credits, and tax rates when there is uncertainty over income tax treatments. The core principle of the interpretation requires the Group to consider the probability of the tax treatment being accepted by the taxation authority. When it is probable that the tax treatment will be accepted, the determination of the taxable profit, tax bases, unused tax losses, unused tax credits, and tax rates shall be on the basis of the accepted tax treatment. Otherwise, the Group has to use the most likely amount or the expected value, depending on the surrounding circumstances, in determining the tax accounts identified immediately above.

Management is currently assessing the impact of this interpretation on the Group's consolidated financial statements.

(x) Annual Improvements to PFRS 2015-2017 Cycle (effective from January 1, 2019). Among the improvements, the following amendments are relevant to the Group but had no material impact on its consolidated financial statements as these amendments merely clarify existing requirements:

- PAS 12 (Amendments), *Income Taxes – Tax Consequences of Dividends*. The amendments clarify that all income tax consequence of dividend payments should be recognized in profit or loss.

- PAS 23 (Amendments), *Borrowing Costs – Eligibility for Capitalization.* The amendments clarify that any specific borrowing which remains outstanding after the related qualifying asset is ready for its intended purpose, such borrowing will then form part of the entity's general borrowings when calculating the capitalization rate for capitalization purposes.

- PFRS 3 (Amendments), *Business Combinations,* and PFRS 11 (Amendments), *Joint Arrangements – Remeasurement of Previously Held Interests in a Joint Operation.* The amendments clarify that previously held interest in a joint operation shall be remeasured when the Group obtains control of the business. On the other hand, previously held interests in a joint operation shall not be remeasured when the Group obtains joint control of the business.

(xi) PFRS 10 (Amendments), *Consolidated Financial Statements*, and PAS 28 (Amendments), *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (effective date deferred indefinitely). The amendments to PFRS 10 require full recognition in the investor's financial statements of gains or losses arising on the sale or contribution of assets that constitute a business as defined in PFRS 3, *Business Combinations,* between an investor and its associate or joint venture. Accordingly, the partial recognition of gains or losses (i.e., to the extent of the unrelated investor's interests in an associate or joint venture) only applies to those sale or contribution of assets that do not constitute a business. Corresponding amendments have been made to PAS 28 to reflect these changes.

In addition, PAS 28 has been amended to clarify that when determining whether assets that are sold or contributed constitute a business, an entity shall consider whether the sale or contribution of those assets is part of multiple arrangements that should be accounted for as a single transaction.

2.3 Basis of Consolidation

The Group's consolidated financial statements comprise the accounts of the University and its subsidiaries as enumerated in Note 1.1 after the elimination of intercompany transactions. All intercompany balances and transactions with subsidiaries, including income, expenses and dividends, are eliminated in full. Unrealized profits and losses from intercompany transactions that are recognized in assets are also eliminated in full. In addition, shares of stock of the parent company held by the subsidiaries are recognized as treasury stocks and are presented as deduction in the consolidated statement of changes in equity. Intercompany losses that indicate impairment are recognized in the consolidated financial statements.

The following subsidiaries prepare their financial statements for their respective reporting periods using consistent accounting principles as that of the University:

March 31	-	FEU High, FECSI, FRC and FEUAI
May 31	-	RCI and RCEE
June 30	-	EACCI

These subsidiaries follow their respective academic years (i.e., trimestral and semestral), hence, the use of different reporting dates (non-coterminous year-ends) as compared with that of the University.

The University accounts for its investments in subsidiaries, an associate and NCIs as follows:

(a) *Investments in Subsidiaries*

Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date the Group obtains control. The Group reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of controls indicated above. Accordingly, entities are deconsolidated from the date that control ceases.

The acquisition method is applied to account for acquired subsidiaries (see Note 2.4).

(b) *Investment in an Associate*

An associate is an entity over which the University is able to exercise significant influence but which is neither a subsidiary nor interest in a joint venture. Investment in an associate is initially recognized at cost and subsequently accounted for using the equity method.

Acquired investment in an associate is also subject to purchase accounting. However, any goodwill or fair value adjustment attributable to the share in the associate is included in the amount recognized as investment in an associate. All subsequent changes to the share in the equity of the associate are recognized in the carrying amount of the University's investment.

Changes resulting from the profit or loss generated by the associate, if any, are reported as Other Income or Other Charges, respectively, in the Group's consolidated statement of profit or loss and, therefore, affect the net results of operations of the Group.

Changes resulting from other comprehensive income of the associate or items recognized directly in the associate's equity are recognized in consolidated other comprehensive income or equity of the Group, as applicable. However, when the University's share of net losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognizing its share of those profits only after its share of the profits exceeds the accumulated share of net losses that has previously not been recognized.

Distributions received from the associate (e.g., dividends) are accounted for as a reduction of the carrying value of the investment.

In computing the University's share in net profit or loss of the associate, unrealized gains or losses on transactions between the University and its associate are eliminated to the extent of the University's interest in the associate. Where unrealized losses are eliminated, the underlying asset is also tested for impairment from a group perspective.

(c) Transactions with NCIs

The Group's transactions with NCIs that do not result in loss of control are accounted for as equity transactions – that is, as transaction with the owners of the Group in their capacity as owners. The difference between the fair value of any consideration paid and the relevant share acquired of the carrying value of the net assets of the subsidiary is recognized in equity. Disposals of equity investments in NCIs result in gains and losses which the Group also recognizes in equity.

When the Group ceases to have control over a subsidiary, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognized in consolidated profit or loss. The fair value is the initial carrying amount for purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in consolidated comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in consolidated statement of other comprehensive income are reclassified to consolidated profit or loss.

2.4 Business Combinations

Business acquisitions are accounted for using the acquisition method of accounting. This requires recognizing and measuring the identifiable assets acquired, the liabilities assumed and any NCI in the acquiree. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the University, if any. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred and subsequent change in the fair value of contingent consideration is recognized directly in consolidated profit or loss.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the University recognizes any NCI in the acquiree, either at fair value or at the NCI's proportionate share of the recognized amounts of acquiree's identifiable net assets.

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed (see Note 2.16).

Gain on bargain purchase, which is the excess of the Group's interest in the net fair value of net identifiable assets acquired over acquisition cost, is charged directly to income. For the purpose of impairment testing, goodwill is allocated to cash-generating units (CGU) or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose (see Note 2.16). The cash-generating units or groups of cash-generating units are identified according to operating segment.

Gains and losses on disposal of an interest in a subsidiary include the carrying amount of goodwill relating to it.

If the business combination is achieved in stages, the acquirer is required to remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss, if any, in the consolidated profit or loss or consolidated other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, either in consolidated profit or loss or as a charge to consolidated other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

2.5 Financial Assets

Financial assets are recognized when the Group becomes a party to the contractual terms of the financial instrument. For purposes of classifying financial assets, an instrument is considered as an equity instrument if it is non-derivative and meets the definition of equity for the issuer in accordance with the criteria of PAS 32, *Financial Instruments: Presentation*. All other non-derivative financial instruments are treated as debt instruments.

(a) Classification and Measurement of Financial Assets

Financial assets other than those designated and effective as hedging instruments are classified into the following categories: financial assets at FVTPL, loans and receivables, HTM investments AFS financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired.

Regular purchases and sales of financial assets are recognized on their trade date. All financial assets that are not classified as at FVTPL are initially recognized at fair value plus any directly attributable transaction costs. Financial assets carried at FVTPL are initially recorded at fair value and the related transaction costs are recognized in consolidated profit or loss.

A more detailed description of the categories of financial assets that are relevant to the Group follows:

(i) Financial Assets at FVTPL

This category includes financial assets that are either classified as held for trading or that meets certain conditions and are designated by the entity to be carried at fair value through profit or loss upon initial recognition. All derivatives fall into this category, except for those designated and effective as hedging instruments. Assets in this category are classified as current if they are either held for trading or are expected to be realized within 12 months from the end of each reporting period.

Financial assets at FVTPL are measured at fair value, and changes therein are recognized in consolidated profit or loss. Financial assets (except derivatives and financial instruments originally designated as financial assets at fair value through profit or loss) may be reclassified out of FVTPL category if they are no longer held for the purpose of being sold or repurchased in the near term.

The Group entered into a cross-currency swap agreement to manage its risks associated with fluctuations in foreign currency-denominated investments in corporate bonds. The host instruments were classified as AFS financial assets as of May 31, 2016, which were subsequently reclassified to HTM investments during the year ended May 31, 2017 (see Note 11.2). Such derivative financial instruments are initially recognized at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is favorable to the Group and as liabilities when the fair value is favorable to the counterparty (see Note 2.10). Thus, if derivative asset is recognized, it is presented as Financial Asset at FVTPL; otherwise, it is presented as Derivative Liability in the consolidated statements of financial position.

The Group's derivative instruments provide economic hedges under the Group's policies but are not designated as accounting hedges. Consequently, any gains or losses arising from changes in fair value are taken up directly in consolidated profit or loss for the period [see Note 3.2(b)].

(ii) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for those with maturities greater than 12 months after the end of each reporting period, which are classified as non-current assets.

The Group's financial assets categorized as loans and receivables are presented as Cash and Cash Equivalents, Trade and Other Receivables (excluding advances to officers and employees), as part of Other Current Assets (with respect to short-term investments) and as part of Other Non-current Assets (with respect to refundable deposits) in the consolidated statement of financial position.

Cash and cash equivalents are defined as cash on hand, demand deposits and short-term, highly liquid investments with original maturities of three months or less, readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

Loans and receivables are subsequently measured at amortized cost using the effective interest method, less impairment loss, if any.

(iii) HTM Investments

This category includes non-derivative financial assets with fixed or determinable payments and a fixed date of maturity that the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. If the Group were to sell other than an insignificant amount of HTM investments, the whole category would be tainted and reclassified to AFS financial assets. The Group currently holds corporate bonds designated into this category.

Subsequent to initial recognition, HTM investments are measured at amortized cost using the effective interest method, less impairment losses, if any.

(iv) AFS Financial Assets

This category includes non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Group's AFS financial assets include listed equity securities, corporate and government bonds, and UITF.

All financial assets within this category are subsequently measured at fair value, except for equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured which are measured at cost, less impairment loss, if any. Gains and losses from changes in fair value of AFS financial assets are recognized in consolidated other comprehensive income, net of any income tax effects, and are reported as part of the Revaluation Reserves account in equity. Interest and dividend income, impairment losses and foreign exchange differences on monetary assets are recognized in consolidated profit or loss.

When the financial asset is disposed of or is determined to be impaired, that is, when there is a significant or prolonged decline in the fair value of the security below its cost, the cumulative fair value gains or losses recognized in consolidated other comprehensive income is reclassified from equity to consolidated profit or loss and is presented as reclassification adjustment within consolidated other comprehensive income even though the financial asset has not been derecognized.

(b) Impairment of Financial Assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. The Group recognizes impairment loss based on the category of financial assets as follows:

(i) Carried at Amortized Cost – Loans and Receivables and HTM Investments

If there is objective evidence that an impairment loss on loans and receivables or HTM investments carried at cost has been incurred, the amount of the impairment loss is determined as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the financial asset's original effective interest rate or current effective interest rate determined under the contract if the loan has a variable interest rate.

The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of loss shall be recognized in consolidated profit or loss.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss is reversed by adjusting the allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortized cost would have been had the impairment not been recognized at the date of the impairment is reversed. The amount of the reversal is recognized in consolidated profit or loss.

(ii) Carried at Fair Value – AFS Financial Assets

When a decline in the fair value of an AFS financial asset has been recognized in consolidated other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss – measured as the difference between the acquisition cost (net of any principal repayment and amortization) and current fair value, less any impairment loss on that financial asset previously recognized in consolidated statements of profit or loss – is reclassified from Revaluation Reserves to consolidated profit or loss as a reclassification adjustment even though the financial asset has not been derecognized.

Impairment losses recognized in consolidated profit or loss on equity instruments are not reversed through consolidated profit or loss. Reversal of impairment losses is recognized in consolidated other comprehensive income, except for financial assets that are debt securities, which are recognized in consolidated profit or loss only if the reversal can be objectively related to an event occurring after the impairment loss was recognized.

(iii) Carried at Cost – AFS Financial Assets

If there is objective evidence of impairment for any of the unquoted equity instruments that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and required to be settled by delivery of such an unquoted equity instrument, impairment loss is recognized. The amount of impairment loss is the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

(c) Items of Income and Expense Related to Financial Assets

All income and expenses, except those arising from operating activities, relating to financial assets that are recognized in consolidated profit or loss are presented as part of Finance Income or Finance Costs in the consolidated statement of profit or loss.

Non-compounding interest, dividend income and other cash flows resulting from holding financial assets are recognized in consolidated profit or loss when earned, regardless of how the related carrying amount of financial assets is measured.

(d) Derecognition of Financial Assets

The financial assets (or where applicable, a part of a financial asset or part of a group of financial assets) are derecognized when the contractual rights to receive cash flows from the financial instruments expire, or when the financial assets and all substantial risks and rewards of ownership have been transferred to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

2.6 Real Estate Held-for-Sale

Acquisition costs of raw land intended for future development, including other costs and expenses incurred to effect the transfer of title of the property as well as related property development costs are accumulated in this account.

Real estate held-for-sale is carried at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs to complete and the estimated costs necessary to make the sale.

Real estate held-for-sale is expected to be sold within the normal operating cycle of FRC.

2.7 Prepayments and Other Assets

Prepayments and other assets pertain to other resources controlled by the Group as a result of past events. They are recognized in the consolidated financial statements when it is probable that the future economic benefits will flow to the Group and the asset has a cost or value that can be measured reliably.

Where future economic benefits are expected to flow to the Group beyond one year after the end of the reporting period, these other assets are classified under the non-current category.

2.8 Property and Equipment

Except for land, which is stated at cost less any impairment in value, property and equipment are stated at cost less accumulated depreciation, amortization and impairment in value, if any.

The cost of an asset comprises its purchase price and directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions, major improvements and renewals are capitalized; expenditures for repairs and maintenance are charged to expense as incurred.

Depreciation and amortization are computed on the straight-line basis over the estimated useful lives of the assets as follows:

Building and improvements	20 years
Furniture and equipment	3 – 6 years
Miscellaneous equipment	5 years

Construction in progress represents properties under construction and is stated at cost. This includes cost of construction, borrowing costs and other direct costs (see Note 2.18). The account is not depreciated until such time that the assets are completed and available for use.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see Note 2.16).

The residual values, estimated useful lives and method of depreciation and amortization of property and equipment are reviewed and adjusted, if appropriate, at the end of each reporting period.

Fully depreciated and amortized assets are retained in the accounts until they are no longer in use and no further charge for depreciation and amortization is made in respect of those assets.

An item of property and equipment, including the related accumulated depreciation, amortization and impairment losses, is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in consolidated profit or loss in the period the item is derecognized.

2.9 Investment Properties

Investment properties are measured initially at acquisition cost. Subsequently, investment properties, except land, are carried at cost less accumulated depreciation and amortization and impairment in value, if any. Depreciation of investment properties, which consists of building and improvements, is computed using the straight-line method over its estimated useful life of 20 years. Land is carried at cost less impairment in value, if any.

Investment properties include construction in progress which represents condominium units of FRC that are still under construction and are stated at cost. This includes cost of construction, applicable borrowing costs (see Note 2.18) and other direct costs. The account is not depreciated until such time that the assets are completed and available for use.

Transfers are made to and from investment property when, and only when, there is a change in use, evidenced by the end or commencement of owner-managed, commencement of an operating lease to another party, by the end of construction or development, or commencement of development with a view to sell.

For a transfer from investment property to owner-occupied property or inventories, the cost of property for subsequent accounting is its carrying value at the date of change in use.

If an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under Property and Equipment up to the date of change in use (see Note 2.8).

Investment property is derecognized upon disposal or when permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in consolidated profit or loss in the year of retirement or disposal.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see Note 2.16).

2.10 Financial Liabilities

Financial liabilities, which include trade and other payables [except tax-related liabilities, Deposits payable and National Service Training Program (NSTP) trust fund], interest-bearing loans, derivative liability and refundable deposits (presented under Other Non-current Liabilities) are recognized when the Group becomes a party to the contractual terms of the instrument.

Trade and other payables account include deposits payable which represents funds collected from students or entities and are held by the Group. The Group has no control over its use and disburses the funds only upon instruction of the student or entity that made the deposit. This account also includes Trust funds which represent restricted funds of the University, FECSI and EACCI that are intended for student's NSTP and other specific educational purposes [see also Note 2.13(a)]. The University, FECSI and EACCI administer the use of these NSTP trust funds based on the specific purpose for which such funds are identified with.

Interest-bearing loans are availed for capital expenditures and to provide general corporate funding requirements.

Financial liabilities are recognized initially at their fair values and subsequently measured at amortized cost, except derivative liability which is consistently measured at fair value, using the effective interest method for maturities beyond one year, less settlement payments.

Dividend distributions to shareholders are recognized as financial liabilities upon declaration by the Group's BOD or BOT.

Financial liabilities are classified as current liabilities if payment is due to be settled within one year or less after the reporting period, or the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Otherwise, these are presented as non-current liabilities.

Financial liabilities are derecognized from the consolidated statement of financial position only when the obligations are extinguished either through discharge, cancellation or expiration. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable is recognized in profit or loss.

2.11 Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the resulting net amount, considered as a single financial asset or financial liability, is reported in the consolidated statement of financial position when there is a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. The right of set-off must be available at the end of the reporting period, that is, it is not contingent on future event. It must also be enforceable in the normal course of business, in the event of default, and in the event of insolvency or bankruptcy; and, must be legally enforceable for both entity and all counterparties to the financial instruments.

2.12 Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including the risks and uncertainties associated with the present obligation.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. When time value of money is material, long-term provisions are discounted to their present values using a pretax rate that reflects market assessments and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the consolidated financial statements. Similarly, possible inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the consolidated financial statements. On the other hand, any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

2.13 Revenue and Expense Recognition

Revenue is measured by reference to the fair value of consideration received or receivable by the Group for services rendered, excluding value-added tax (VAT) and discounts.

Revenue is recognized to the extent that the revenue can be reliably measured; it is probable that the economic benefits will flow to the Group; and, the costs incurred or to be incurred can be measured reliably.

In addition, the following specific recognition criteria must also be met before revenue is recognized:

(a) *Tuition and other school fees* – Revenue is recognized in consolidated profit or loss over the corresponding school term. Tuition fee received in advance and applicable to a school term after the reporting period is not recognized in consolidated profit or loss until the next reporting period and are presented as part of the Deferred Revenues account in the consolidated statement of financial position. Revenues from NSTP trust funds (see Note 2.10) are recognized upon fulfillment of conditions attached to the fund and/or up to the extent that the related expenses have been incurred. Restricted funds for which restrictions and conditions have not yet been met are recorded as NSTP trust fund under the Trade and Other Payables account in the consolidated statement of financial position.

(b) *Rental* – Revenue is recognized in the consolidated statement of profit or loss over the term of the lease using the straight-line method and, in certain cases, the amount determined using straight-line method or amount determined using a certain percentage of the lessee's gross annual revenue, whichever is higher. Rent received in advance is initially recorded as part of the Deferred Revenues account in the consolidated statement of financial position.

(c) *Management fees* – Revenue is recognized on a monthly basis upon rendering of the services.

(d) *Sale of real estate* – Revenue is recognized when the earnings process is virtually complete and collectibility of the entire sales price is reasonably assured. This is presented as Other Operating Income in the consolidated statement of profit or loss.

(e) *Income from sale of books and other educational-related merchandise* – Revenue is recognized when the risks and rewards of ownership of the goods have passed to the buyer. This is generally when the customer has acknowledged delivery of goods. The sale of this merchandise is made exclusively for the students of the University and FECSI. This auxiliary income is presented as part of Other Income in the consolidated statements of profit or loss.

(f) *Interest* – Income is recognized as the interest accrues taking into account the effective yield on the asset.

Cost and expenses are recognized in consolidated profit or loss upon utilization of goods or services or at the date such cost and expenses are incurred. All finance costs are reported in the consolidated profit or loss on an accrual basis, except capitalized borrowing costs which are included as part of the cost of the related qualifying asset, on an accrual basis (see Note 2.18).

2.14 Leases

The Group accounts for its leases as follows:

(a) *Group as Lessee*

Leases which do not transfer to the Group substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments (net of any incentive received from the lessor) are recognized as expense in the consolidated statement of profit or loss on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

(b) *Group as Lessor*

Leases which do not transfer to the lessee substantially all the risks and benefits of ownership of the asset are classified as operating leases. Lease income from operating leases is recognized in the consolidated statement of profit or loss on a straight-line basis over the lease term.

The Group determines whether an arrangement is, or contains, a lease based on the substance of the arrangement. It makes an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

2.15 Foreign Currency Transactions and Translation

The accounting records of the Group are maintained in Philippine pesos. Foreign currency transactions during the year are translated into the functional currency at exchange rates which approximate those prevailing on transaction dates.

Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of profit or loss.

Changes in the fair value of monetary financial assets denominated in foreign currency classified as AFS financial assets are analyzed between translation differences resulting from changes in the amortized cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortized cost are recognized in consolidated profit or loss, and other changes in the carrying amount are recognized in consolidated other comprehensive income.

2.16 Impairment of Non-financial Assets

The Group's investment in an associate, property and equipment, investment properties, and certain other non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill, as indicated in Note 2.4, is tested for impairment annually.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows CGU. As a result, some assets are tested individually for impairment and some are tested at CGU level.

An impairment loss is recognized in the consolidated profit or loss for the amount by which the asset's or CGU's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value in use, based on an internal evaluation of discounted cash flows. In determining value in use, management estimates the expected future cash flows from each CGU and determines the suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of asset enhancements. Discount factors are determined individually for each CGU and reflect management's assessment of respective risk profiles, such as market and asset-specific risk factors. Impairment loss is charged pro-rata to the other assets in the CGU.

All assets, except goodwill for which impairment loss is not reversed (see Note 2.4), are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment loss is reversed if the asset's or CGU's recoverable amount exceeds its carrying amount.

2.17 Employee Benefits

The Group, except RCI, provides post-employment benefits to employees through a defined contribution plan subject to compliance to a minimum guarantee required by Republic Act (RA) No. 7641, *The Retirement Pay Law*, which is accounted for as a defined benefit plan, and various compensations mandated by law. Such application of the minimum guarantee prescribed by RA No. 7641 is based on the interpretations issued by the Philippine Interpretations Committee (PIC) in its Question and Answer on PAS 19 – *Accounting for Employee Benefits Under a Defined Benefit Contribution Plan Subject to the Requirements of RA 7641*.

(a) Post-employment Benefits

The Group maintains defined contribution and defined benefit plans. Under the defined contribution plan, the Group (except RCI) pays fixed contributions based on the employees' monthly salaries.

RCI, which does not have a formal post-employment benefit plan, bases its determination of post-employment benefit obligation on RA No. 7641, which is considered a defined benefit plan. RA No. 7641 provides for a qualified employee a defined benefit minimum guarantee. The defined benefit minimum guarantee is equivalent to a certain percentage of the monthly salary payable to an employee at normal retirement age with the required credited years of service based on the provisions of RA No. 7641. The legal obligation for any benefits from this kind of post-employment plan remains with the entity even if plan assets, if any, for funding the defined benefit plan have been acquired.

The whole Group, however, is covered by RA No. 7641. Accordingly, the Group, except RCI, recognizes its post-employment benefit obligation based on the higher of the defined benefit obligation relating to the minimum guarantee required by RA No. 7641 and the obligation arising from the defined contribution plan. RCI accrues its post-employment benefit obligation solely based on minimum guarantee requirement of RA No. 7641.

For defined benefit plan, the liability recognized in the consolidated statement of financial position for a defined benefit plan is the present value of the defined benefit obligation (DBO) at the end of the reporting period. The DBO is calculated annually by an independent actuary using the projected unit credit method. The present value of the DBO is determined by discounting the estimated future cash outflows for expected benefit payments using a discount rate derived from the interest rates of zero coupon government bonds as published by Philippine Dealing & Exchange Corp., that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related post-employment liability.

Remeasurements, comprising of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions and the return on plan assets (excluding amount included in net interest) are reflected immediately in the consolidated statement of financial position with a charge or credit recognized in consolidated other comprehensive income in the period in which they arise. Net interest expense and other expenses related to the defined benefit plan are recognized in the consolidated statement of profit or loss.

The defined contribution, on the other hand, is measured at the fair value of the defined contribution assets upon which the defined contribution benefits depend, with an adjustment for margin on asset returns, if any, where this is reflected in the defined contribution benefits.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in consolidated profit or loss. The Group recognizes gains or losses on the settlement of a defined benefit plan when the settlement occurs.

(b) Termination Benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits.

The Group recognizes termination benefits when it is demonstrably committed to either: (i) terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or, (ii) providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the reporting period are discounted to their present value.

(c) Bonuses

The Group recognizes a liability and an expense for bonuses. The Group recognizes a provision where it is contractually obliged to pay the benefits, or where there is a past practice that has created a constructive obligation.

(d) Compensated Absences

Compensated absences are recognized for the number of paid leave days (including holiday entitlement) remaining at the end of the reporting period. These are included in the Trade and Other Payables account in the consolidated statement of financial position at the undiscounted amount that the Group expects to pay as a result of the unused entitlement.

2.18 Borrowing Costs

Borrowing costs are recognized as expenses in the period in which they are incurred, except to the extent that they are capitalized. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (i.e., an asset that takes a substantial period of time to get ready for its intended use or sale) are capitalized as part of cost of such asset. The capitalization of borrowing costs commences when expenditures for the asset and borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalization ceases when substantially all such activities are complete.

Investment income, if any, earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

2.19 Income Taxes

Tax expense recognized in profit or loss comprises the sum of current tax and deferred tax not recognized in other comprehensive income or directly in equity, if any. Current tax assets or current tax liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the end of the reporting period. They are calculated using the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in profit or loss.

Deferred tax is accounted for using the liability method on temporary differences at the end of the reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Under the liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carryforward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will be available to allow such deferred tax assets to be recovered.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled provided such tax rates have been enacted or substantively enacted at the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

The measurement of deferred tax liabilities and deferred tax assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Most changes in deferred tax assets or deferred tax liabilities are recognized as a component of tax expense in the consolidated profit or loss. Only changes in deferred tax assets or liabilities that relate to items recognized in the consolidated other comprehensive income or directly in equity are recognized in the consolidated other comprehensive income or directly in equity, respectively.

Deferred tax assets and deferred tax liabilities are offset only if the University or any of its subsidiaries has a legally enforceable right to set-off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority.

2.20 Related Party Transactions and Relationships

Related party transactions are transfers of resources, services or obligations between the Group and its related parties, regardless of whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the party in making financial and operating decisions. These parties include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Group; (b) associates; (c) individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the Group and close members of the family of any such individual; and, (d) certain funded retirement plans administered by an organization, through its Retirement Board.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on the legal form.

2.21 Equity

Capital stock represents the nominal value of shares that have been issued.

Treasury stocks are stated at the cost of reacquiring such shares and are deducted from equity attributable to the University's equity holders until the shares are cancelled, reissued or disposed of. This also includes shares of the parent company held by a certain subsidiary (see Note 2.3).

Revaluation reserves comprise accumulated gains or losses arising from the revaluation of AFS financial assets and remeasurement of post-employment benefit plan.

Other reserves refer to the amount attributable to the parent company arising from the changes in the ownership of the NCI in the Group.

Retained earnings, both restricted and available for dividend declaration, represent all current and prior period results of operations as reported in the consolidated statement of profit or loss. The appropriated portion represents the amount which is not available for distribution.

NCI represents the interests not held by the Group in FRC and RCI. It also includes the preferred shares of stock of EACCI and FEUAI issued to a stockholder outside of the Group but under the Group's common management (see Note 25.4).

2.22 Earnings (Loss) Per Share

Basic earnings (loss) per share (EPS) is determined by dividing net profit or loss attributable to equity holders of the University by the weighted average number of shares subscribed and issued during the period after giving retroactive effect to stock dividend declared, stock split and reverse stock split during the current year, if any.

Diluted EPS is computed by adjusting the weighted average number of ordinary shares outstanding to assume conversion of dilutive potential shares. The Group does not have dilutive potential shares outstanding that would require disclosure of diluted EPS in the consolidated statement of profit or loss.

2.23 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's strategic steering committee, its chief operating decision-maker. The strategic steering committee is responsible for allocating resources and assessing performance of the operating segments.

In identifying its operating segments, management generally follows the Group's products and service lines as disclosed in Note 7, which represent the main products and services provided by the Group.

Each of these operating segments is managed separately as each of these service lines requires different technologies and other resources, as well as marketing approaches. All intersegment transfers are carried out at arm's length prices.

The measurement policies the Group uses for segment reporting under PFRS 8, *Operating Segments*, are the same as those used in its consolidated financial statements.

In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment. There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

2.24 Events After the End of the Reporting Period

Any post-year-end event that provides additional information about the Group's consolidated financial position at the end of the reporting period (adjusting event) is reflected in the consolidated financial statements. Post-year-end events that are not adjusting events, if any, are disclosed when material to the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements in accordance with PFRS requires management to make judgments and estimates that affect the amounts reported in the consolidated financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

3.1 Critical Management Judgments in Applying Accounting Policies

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimation. The following judgments have the most significant effect on the amounts recognized in the consolidated financial statements:

(a) Classification of Financial Assets as HTM Investments

In classifying non-derivative financial assets with fixed or determinable payments and fixed maturity, such as bonds, as HTM investments, the Group evaluates its intention and ability to hold such investments up to maturity. Management has confirmed its intention and determined its ability to hold the investments up to maturity. If the Group fails to keep these investments to maturity other than for specific circumstances as allowed under the standard, it will be required to reclassify the whole class as AFS financial assets. In such a case, the investments would, therefore, be measured at fair value, not at amortized cost.

(b) Impairment of AFS Financial Assets

The determination when an investment is other-than-temporarily impaired requires significant judgment. In making this judgment, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows. The management considers more than 20% decline in fair value as significant and continuous decline in value beyond nine months to be prolonged.

Based on the recent evaluation of information and circumstances affecting the Group's AFS financial assets, management concluded that the assets are not impaired as at May 31, 2018, 2017 and 2016. Future changes in those information and circumstance might significantly affect the carrying amount of the assets.

(c) Determination of Control of Entities in which the University Holds Less than 50%

Management considers that the University has de facto control of FRC even though it holds less than 50% of the ordinary shares and voting rights in the latter. Although the University holds less than 50% of the voting shares of stock of FRC, it has control over FRC because it is exposed or has right to variable returns from its involvement with FRC and it has the ability to affect those returns through its power over FRC. It is able to do this primarily because the University has the power to cast the majority of votes at meetings of the BOD and elect officers of FRC. Accordingly, FRC is recognized as a subsidiary of the University (see Note 1.1).

On the other hand, JMCI is not considered a subsidiary because the Group does not make financial or operational decisions for the benefit of JMCI. It only has significant influence over the entity.

(d) Amortization of Leasehold Improvements

The Group's leasehold improvements, are amortized over 20 years, which is the estimated useful life of the asset (see Notes 2.8 and 14) regardless of the term of the lease contracts which is usually shorter than the expected useful life of the improvements because it is highly probable that the lease contract will be renewed before the end of such contract. A decision by management not to renew its lease agreement will result in a significant impact on its consolidated profit or loss in the period such decision is made.

(e) Distinction between Investment Properties and Owner-managed Properties

The Group determines whether a property qualifies as investment property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by an entity.

Owner-managed properties generate cash flows that are attributable not only to the property but also to other assets used in the process of providing educational services.

Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for use in the supply of services or for administrative purposes. If a portion can be sold separately (or leased out separately under finance lease), the Group accounts for such portion separately. If the portion cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for use in the supply of services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgment.

(f) Distinction between Real Estate for Sale and Investment Properties

Real estate for sale comprise lots that are held for sale in the ordinary course of business (see Note 12). Meanwhile, investment properties (see Note 15) comprise of land and buildings which are not occupied substantially for use by, or in the operations of, the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. The Group considers management's intention over these assets in making its judgement.

(g) Distinction between Operating and Finance Lease

The Group has entered into various lease agreements as either a lessor or a lessee. Judgment was exercised by management to distinguish each lease agreement as either an operating or finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities. Currently, all of the Group's lease agreements are determined to be operating leases.

(b) Recognition of Provisions and Contingencies

Judgment is exercised by management to distinguish between provisions and contingencies. Accounting policies on recognition and disclosure of provisions and contingencies are discussed in Note 2.12 and relevant disclosures are presented in Note 28.

3.2 Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

(a) Estimation of Impairment of Trade and Other Receivables

The Group maintains an allowance for impairment loss on receivables at a level considered adequate to cover probable uncollectible receivables. The level of this allowance is evaluated by management on the basis of factors that affect the collectability of the accounts. These factors include, but are not limited to, history of the students' payment behavior, age of receivables and other external factors affecting the education industry. The Group constantly reviews the age and status of receivables and identifies accounts that should be provided with allowance. The methodology and assumptions used in estimating future cash flows are reviewed regularly by the Group to reduce any difference between loss estimates and actual loss experience. The carrying value of trade and other receivables and the analysis of allowance for impairment on such financial assets are shown in Note 9.

(b) Determination of Fair Value Measurement for Financial Instruments other than Loans and Receivables

Management applies valuation techniques to determine the fair value of financial instruments where active market quotes are not available. This requires management to develop estimates and assumptions based on market inputs, using observable data that market participants would use in pricing the instrument. Where such data is not observable, management uses its best estimate. Estimated fair values of financial instruments may vary from the actual prices that would be achieved in an arm's length transaction at the end of the reporting period.

The carrying values of the Group's AFS financial assets and HTM investments and the amounts of fair value changes recognized during the years on those assets are disclosed in Note 11. On the other hand, the carrying value of the cross-currency swap is disclosed in Note 10 while fair value gains or losses on cross-currency swap agreements are presented as part of Fair value gains or losses on financial assets at FVTPL under Finance Income or Finance Costs in the consolidated statement of profit or loss (see Note 21).

(c) Estimation of Useful Lives of Property and Equipment and Investment Properties

The Group estimates the useful lives of property and equipment and investment properties based on the period over which the assets are expected to be available for use. The estimated useful lives of these assets are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

The carrying amounts of property and equipment and investment properties are presented in Notes 14 and 15, respectively. Based on management's assessment as at May 31, 2018, 2017 and 2016, there is no change in the estimated useful lives of the assets during those years. Actual results, however, may vary due to changes in factors mentioned above.

(d) Determination of Fair Value of Investment Properties

Investment properties are measured using the cost model. The fair value disclosed in Note 15 is determined by the Group based on the appraisal report prepared by independent appraisers using the relevant valuation methodology as discussed in Note 6.4.

For investment properties with appraisal conducted prior to the end of the current reporting period, management determines whether there are significant circumstances during the intervening period that may require adjustments or changes in the disclosure of fair value of those properties.

For investment properties without appraisal report, the fair value disclosed in the consolidated financial statements is determined by the Group using the discounted cash flows valuation method since information on appraisal reports is not readily available. The Group uses assumptions that are mainly based on market conditions existing at the end of each reporting period.

The principal assumptions underlying management's estimation of fair value are those related to the receipt of contractual rentals, expected future market rentals, and appropriate discount rates. These valuations are regularly compared to actual to market yield data, and actual transactions by the Group and those reported by the market.

A significant change in these elements may affect the prices and the value of the assets. As of May 31, 2018, 2017 and 2016, the University determined that there were no significant circumstances that may affect the fair value determination of investment properties.

(e) Estimation of Impairment of Non-financial Assets

The Group's policy on estimating the impairment of non-financial assets is discussed in detail in Note 2.16. Though management believes that the assumptions used in the estimation of recoverable amounts are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

Based on management's assessment, no impairment loss is required to be recognized on the investment in an associate, investment properties, property and equipment, goodwill, and certain other non-financial assets as of May 31, 2018, 2017 and 2016.

The Group recognized goodwill arising from the University's acquisition of the net assets of RCI from which the University had expected future economic benefits and synergies that will result from combining the operations of the acquired school with that of the University (see Note 1.2). Goodwill is subject to annual impairment testing and whenever there is an indication of impairment.

For purposes of assessing impairment, the Group based on the value in use of the CGU (that is, RCI) to which the carrying value of goodwill is compared. This methodology is in accordance with PAS 36, *Impairment of Assets*. The management considers that the benefits of acquisition accrue to the University as a whole and not to a specific business unit nor department only.

In determining the value in use, discounted cash flows method was used. Some of the key assumptions that have been considered which have significant impact on the results of the determination of the value in use are as follows:

- RCI will continue as a going concern entity and will have sufficient financial resources to finance its working capital requirements to achieve its projected forecast and to support its business needs;
- RCI's performance forecasts for the next five years from the end of each reporting period;
- in estimating the terminal value of the CGU, long-term growth rates at 6.00% and 6.50% (based on forecasted gross domestic product growth rate) as of May 31, 2018 and 2017, respectively, were used; and,
- in discounting the projected free cash flows, weighted average cost of capital of 5.43% and 4.15% was used in 2018 and 2017, respectively.

For the years ended May 31, 2018 and 2017, the Group has assessed that the recoverable amount of the goodwill (P1.9 billion and P2.7 billion as of May 31, 2018 and 2017, respectively) exceeds its carrying amount. Accordingly, no impairment loss is required to be recognized in 2018 and 2017.

(f) Determination of Recoverability of Deferred Tax Assets

The Group reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Management assessed that the deferred tax assets as at May 31, 2018, 2017 and 2016 are fully recoverable and will be fully utilized within the prescribed periods, except for the related benefits of net operating loss carryover (NOLCO) and other temporary differences of certain subsidiaries which are not recognized, because it expects that the Group will generate sufficient taxable profits in the future against which the assets can be applied (see Note 23).

(g) Valuation of Post-employment Defined Benefit Obligation

The determination of the obligation and cost of post-employment defined benefit is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates, expected rate of return on plan assets, salary rate increase, and employee turnover rate. A significant change in any of these actuarial assumptions may generally affect the recognized expense, other comprehensive income or losses and the carrying amount of the post-employment benefit obligation in the next reporting period.

The amounts of post-employment benefit obligation and expense and an analysis of the movements in the estimated present value of post-employment defined benefit, as well as the significant assumptions used in estimating such obligation are presented in Note 22(b).

(b) Business Combinations

On initial recognition, the assets and liabilities of the acquired business and the consideration paid for them are included in the consolidated financial statements at their fair values. In measuring fair value, management used the expertise of an independent appraiser (for property and equipment) and estimates of future cash flows and discount rates. Any subsequent change in these estimates would affect the amount of goodwill if the change qualifies as a measurement period adjustment. Any other change would be recognized in consolidated profit or loss in the subsequent period. Details of acquired assets and liabilities assumed are given in Note 1.2.

4. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to certain financial risks in relation to financial instruments. Its main purpose for its dealings in financial instruments is to fund operational and capital expenditures. The BOT has the overall responsibility for the establishment and oversight of the Group's risk management framework. It has a risk management committee headed by an independent trustee that is responsible for developing and monitoring the Group's policies, which address risk management areas. Management is responsible for monitoring compliance with the Group's risk management policies and procedures and for reviewing the adequacy of these policies in relation to the risks faced by the Group.

The Group does not engage in trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed to are described in the succeeding paragraphs.

4.1 Market Risk

(a) Foreign Currency Risk

Most of the Group's transactions are carried out in Philippine pesos, its functional currency. Exposures to currency exchange risk arise from certain cash and cash equivalents, AFS financial assets and HTM investments which are denominated in United States (US) dollars.

To mitigate the Group's exposure to foreign currency risk, the Group entered in a cross-currency swap agreement and keeps the amount of its US dollar deposit at a minimum level.

Financial assets denominated in US dollar, translated into Philippine pesos at the closing rate, are presented below:

	2018	2017	2016
Short-term exposure – Financial assets	**P 79,839,591**	P 135,119,293	P 344,269,806
Long-term exposure – Financial assets	**P 668,184,384**	P 480,611,523	P 305,342,055

The following table illustrates the sensitivity of the Group's profit or loss before tax and equity with respect to changes in Philippine peso against US dollar exchange rates. The percentage changes in rates have been determined based on the average market volatility in exchange rates, using standard deviation, in the previous periods (for the periods ended May 31, 2018, 2017 and 2016) at a 68% confidence level.

	2018			2017			2016		
	Reasonably possible change in rate	**Effect in profit before tax**	**Effect in equity**	Reasonably possible change in rate	Effect in proft before tax	Effect in equity	Reasonably possible change in rate	Effect in loss before tax	Effect in equity
PhP - USD	**3.98%**	**P 29,771,354**	**P 26,794,219**	26.27%	P 161,752,485	P145,577,237	1.91%	(P 12,407,587)	(P 11,166,828)

Exposures to US dollar exchange risk vary during the year depending on the volume of foreign currency denominated transactions. Nonetheless, the analysis above is considered to be representative of the Group's foreign currency risk.

(b) Interest Rate Risk

The Group's exposure to interest rate risk arises from the following interest-bearing financial instruments which are subject to variable interest rates. All other financial assets and financial liabilities have fixed interest rates.

	Notes	**2018**	2017 [As Restated – see Note 2.1(d)]	2016 [As Restated – see Note 2.1(d)]
Cash and cash equivalents	8	**P 855,331,501**	P 1,526,201,248	P 1,213,350,580
AFS financial assets (debt securities)	11	**1,121,608,384**	1,132,522,593	1,414,636,967
Short-term investments	16	**917,501,695**	140,435,812	119,676,213
Long-term investments	16	**11,527,360**	-	-
Interest-bearing loans	18	**(2,517,142,858)**	(1,950,000,000)	(1,492,333,334)
		P 388,826,082	P 849,159,653	P 1,255,330,426

The following table illustrates the sensitivity of the Group's consolidated profit or loss before tax for the years with regard to the Group's interest-bearing financial instruments. These percentages have been determined based on the average market volatility rates, using standard deviation, in the two previous 12 months ended May 31, 2018, 2017 and, estimated at a 68% level of confidence. The sensitivity analysis is based on the Group's financial instruments held at May 31, 2018, 2017 and 2016.

	2018 (One Year)		2017 (One Year) [As Restated – see Note 2.1(d)]		2016 (Two Months) [As Restated – see Note 2.1(d)]	
	Reasonably possible change in rate	**Effect on profit before tax**	Reasonably possible change in rate	Effect on profit before tax	Reasonably possible change in rate	Effect on loss before tax
Cash and cash equivalents	**+/-0.19%**	**P 1,625,130**	+/-0.12%	P 1,831,441	+/-0.01%	(P 121,335)
AFS financial assets (debt securities)	**+/-1.42%**	**15,926,839**	+/-0.45%	5,096,352	+/-0.03%	(424,391)
Short-term investments	**+/-1.42%**	**13,028,524**	+/-0.45%	631,961	+/-0.03%	(35,903)
Long-term investments	**+/-0.91%**	**105,283**	-	-	-	-
Interest-bearing loans	**+/-0.56%**	**(14,193,105)**	+/-0.58%	(11,310,000)	+/-0.27%	4,029,300
		P 16,492,671		(P 3,750,246)		P 3,447,671

(c) Other Price Risk

The Group's exposure to price risk arises from its investments in equity securities, which are classified as part of the AFS financial assets account in the consolidated statements of financial position. These consist of publicly-listed equity securities which are carried at fair value.

Management monitors its equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis.

For equity securities listed in the Philippines, an average volatility of 10.57%, 12.71% and 5.61% have been observed for the periods ended May 31, 2018, 2017 and 2016, respectively. If quoted prices for these securities increased or decreased by that percentage, other comprehensive income (loss) would have changed by P79.8 million, P105.6 million and P42.3 million for the periods ended May 31, 2018, 2017 and 2016, respectively.

No sensitivity analysis was provided for government and corporate bonds, and investments in UITF classified as AFS financial assets as management deemed that the risk at the end of the period is not representative of a risk inherent in financial instruments.

The investments are considered medium to long-term strategic investments. In accordance with the Group's policies, no specific hedging activities are undertaken in relation to these investments, except as discussed in Notes 10 and 11 in connection with its investment in certain foreign currency denominated corporate debt instruments which are also subject to a cross-currency swap agreement. The investments are continuously monitored to ensure that returns of these equity instruments are timely utilized or reinvested in the Group's favor.

4.2 Credit Risk

Credit risk represents the loss that the Group would incur if the counterparty fails to perform its contractual obligations. The credit risk for cash and cash equivalents, short-term investments (presented as part of Other Current Assets), AFS financial assets and HTM investments is considered negligible, since the counterparties are reputable financial institutions and private companies with high quality external credit ratings. Included in the cash and cash equivalents are cash in banks and short-term placements. These are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P0.5 million for every depositor per banking institution.

The Group's exposure to credit risk on its receivables related primarily to the inability of the debtors to pay and students to fully settle the unpaid balance of tuition fees and other charges which are owed to the Group based on installment payment schemes. The Group has established controls and procedures to minimize risks of non-collection. Students are not allowed to enroll in the following semester unless the unpaid balance in the previous semester has been paid. The Group also withholds the academic records and clearance of the students with unpaid balances, thus ensuring that collectability is reasonably assured. The Group's exposure to credit risk on its other receivables from debtors and related parties is managed through close account monitoring and setting limits.

The Group has no significant exposure to any individual customer or counterparty nor it has any other concentration of credit risk arising from counterparties in similar business activities, geographic region or economic parties. Also, none of the Group's financial assets are secured by collateral or other credit enhancements; except for cash and cash equivalents as described above.

With respect to credit risk arising from the financial assets below, the Group's maximum exposure is equal to the carrying amount of these instruments. Other than the exposure to credit risk on the Group's receivables from students, the risk is minimal as these financial assets and investments are with reputable corporations, financial institutions and/or with related parties.

The maximum exposure to credit risk at the end of the reporting period is as follows:

	Notes	2018	2017 [As Restated – see Note 2.1(d)]	2016 [As Restated – see Note 2.1(d)]
Cash and cash equivalents	8	**P 855,331,501**	P 1,526,201,248	P 1,213,350,580
Trade and other receivables - net	9	**528,325,137**	442,701,441	442,715,772
AFS financial assets (debt securities)	11	**1,121,608,384**	1,132,522,593	1,414,636,967
HTM investments	11	**297,284,616**	336,566,334	-
Short-term investments	16	**917,501,695**	140,435,812	119,676,213
Long-term investments	16	**11,527,360**	-	-
Refundable deposits	16	**8,493,476**	7,644,089	7,763,044
		P 3,740,072,169	P 3,586,071,517	P 3,198,142,576

The table below shows the credit quality of the Group's financial assets as at May 31, 2018, 2017 and 2016 having past due but not impaired components.

	Notes	Neither past due nor impaired	Past due and impaired	Total
2018				
Cash and cash equivalents	8	P 855,331,501	P -	P 855,331,501
Trade and other receivables - net	9	470,897,639	57,427,498	528,325,137
AFS financial assets (debt securities)	11	1,121,608,384	-	1,121,608,384
HTM investments	11	297,284,616	-	297,284,616
Short-term investments	16	917,501,695	-	917,501,695
Long-term investments	16	11,527,360	-	11,527,360
Refundable deposits	16	8,493,476	-	8,493,476
		P 3,682,644,671	**P 57,427,498**	**P 3,740,072,169**

	Notes	Neither past due nor impaired	Past due and impaired	Total
2017 [As Restated – see Note 2.1(d)]				
Cash and cash equivalents	8	P 1,526,201,248	P -	P 1,526,201,248
Trade and other receivables - net	9	386,182,850	56,518,591	442,701,441
AFS financial assets (debt securities)	11	1,132,522,593	-	1,132,522,593
HTM investments	11	336,566,334	-	336,566,334
Short-term investments	16	140,435,812	-	140,435,812
Refundable deposits	16	7,644,089	-	7,644,089
		P 3,529,552,926	P 56,518,591	P 3,586,071,517
2016 [As Restated – see Note 2.1(d)]				
Cash and cash equivalents	8	P 1,213,350,580	P -	P 1,213,350,580
Trade and other receivables - net	9	386,067,128	56,648,644	442,715,772
AFS financial assets (debt securities)	11	1,414,636,967	-	1,414,636,967
Short-term investments	16	119,676,213	-	119,676,213
Refundable deposits	16	7,763,044	-	7,763,044
		P 3,141,493,932	P 56,648,644	P 3,198,142,576

The Group has no past due but unimpaired financial assets at end of each year.

The Group's management considers that all the financial assets presented in the preceding table are not impaired and of good credit quality, except those specifically provided with allowance for impairment at the end of the reporting periods.

None of the Group's financial assets are secured by collateral or other credit enhancements, except for cash and cash equivalents as follows.

(a) Cash and Cash Equivalents

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings. Included in the cash and cash equivalents are cash in banks and short-term placements. These are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P0.5 million for every depositor per banking institution.

(b) Trade and Other Receivables

In respect of trade and other receivables, the Group has neither any significant exposure to any individual customer or counterparty nor does it have any other concentration of credit risk arising from counterparties in similar business activities, geographic region or economic parties. The Group classifies tuition and other fee receivables from students based on the number of semesters the receivables have been outstanding. Receivables from students that are outstanding for more than one semester are analyzed to determine whether they are impaired. Those that are not outstanding for more than one semester or are currently due are determined to be collectible, based on historical experience.

(c) AFS Financial Assets and HTM Investments

AFS financial assets and HTM investments are coursed through reputable financial institutions and private corporations duly approved by the BOT of the University and BOD of the subsidiaries.

4.3 Liquidity Risk

The Group manages liquidity risk by maintaining a balance between continuity of funding and flexibility. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. Management closely monitors the Group's future and contingent obligations and ensures that future cash collections are sufficient to meet them in accordance with internal policies. The Group invests in short-term placements when excess cash is obtained from operations.

As of May 31, 2018, 2017 and 2016, the Group's financial liabilities have contractual maturities as follows:

	Current		Non-current
	Within 6 Months	6 to 12 Months	1 to 5 Years
2018			
Trade and other payables	P 732,522,260	P 404,498,230	P -
Interest-bearing loans	1,026,516,594	212,542,259	1,434,692,826
Derivative liability	38,255,313	-	-
Refundable deposits (presented under Other Non-current Liabilities)	-	-	4,336,911
	P 1,797,294,167	**P 617,040,489**	**P 1,439,029,737**
2017 [As Restated – see Note 2.1(d)]			
Trade and other payables	P 725,675,709	P 58,596,139	P -
Interest-bearing loans	115,367,043	280,528,360	1,792,541,499
Derivative liability	33,365,459	-	-
Refundable deposits (presented under Other Non-current Liabilities)	-	-	3,987,592
	P 874,408,211	P 339,124,499	P 1,796,529,091

	Current		Non-current
	Within 6 Months	6 to 12 Months	1 to 5 Years
2016 [As Restated – see Note 2.1(d)]			
Trade and other payables	P 699,361,060	P 10,227,647	P -
Interest-bearing loans	25,637,307	14,556,348	2,348,152,551
Derivative liability	20,520,000	-	-
Refundable deposits (presented under Other Non-current Liabilities)	-	-	4,336,911
	P 745,518,367	P 24,783,995	P 2,352,489,462

The contractual maturities (or expected settlement periods) presented above reflect the gross cash flows, which may differ from the carrying values of the liabilities at the end of the reporting period.

5. CATEGORIES AND OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

5.1 Carrying Amounts and Fair Values by Category

The carrying amounts and fair values of financial assets and financial liabilities measured at fair value and an investment carried at amortized cost but whose fair value is required to be disclosed are shown below.

		2018		2017		2016	
	Notes	**Carrying Values**	**Fair Values**	Carrying Values	Fair Values	Carrying Values	Fair Values
Financial assets							
AFS financial assets:							
Debt securities	11	**P 1,121,608,384**	**P 1,121,608,384**	P 1,132,522,593	P 1,132,522,593	P 1,414,636,967	P 1,414,636,967
Equity securities	11	**1,174,407,096**	**1,174,407,096**	1,146,123,987	1,146,123,987	1,200,443,619	1,200,443,619
		2,296,015,480	**2,296,015,480**	2,278,646,580	2,278,646,580	2,615,080,586	2,615,080,586
HTM investments – Debt securities	11	**297,284,616**	**301,671,306**	336,566,334	343,972,540	-	-
Other non-current asset – Investment in golf club shares	16	**2,830,000**	**2,830,000**	2,880,594	2,880,594	5,831,330	5,831,330
		P 2,596,130,096	**P 2,600,516,786**	P 2,618,093,508	P 2,618,093,508	P 2,620,911,916	P 2,620,911,916
Financial liability							
At amortized cost – Interest-bearing loans	18	**P 2,517,142,858**	**P 2,430,240,097**	P 1,950,000,000	P 1,827,704,848	P 1,492,333,334	P 1,481,229,932
Derivative liability – Cross-currency swaps	10	**38,255,313**	**38,255,313**	33,365,459	33,365,459	20,520,000	20,520,000
		P 2,555,398,171	**P 2,468,495,410**	P 1,983,365,459	P 1,861,070,307	P 1,512,853,334	P 1,501,749,932

Except for the financial assets and financial liability presented above and in the preceding page, the Group has no other financial assets and/or financial liabilities that are carried at fair value or that are not carried at fair value but are required to be disclosed at fair value (see Note 6.3).

Management determined that the carrying amounts of the other financial instruments are equal to or approximate their fair values; hence, no further comparison between their carrying amounts and fair values is presented.

See Notes 2.5 and 2.10 for a description of the accounting policies for each category of financial instruments. A description of the Group's risk management objectives and policies for financial instruments is provided in Note 4.

5.2 Offsetting of Financial Assets and Financial Liabilities

The Group's cash in bank, which is presented as part of the Cash and Cash Equivalents account, and portion of Short-term investments under the Other Current Assets account in the consolidated statements of financial position (see Notes 8 and 16) which are subject to offsetting, enforceable master netting arrangements and similar agreements as at May 31, 2018, 2017 and 2016, as presented below:

	Gross amounts recognized in the consolidated statements of financial position		Net amount presented in the consolidated financial statements of position	Related amounts that can potentially be set-off in the consolidated statements of financial position		
	Financial assets	Financial liabilities set-off		Financial instruments	Cash collateral received	Net amount
May 31, 2018	**P 207,031,419**	**P -**	**P 207,031,419**	**(P2,555,398,171)**	**P -**	**(P2,348,366,752)**
May 31, 2017	P 61,309,685	P -	P 61,309,685	(P 1,950,000,000)	P -	(P 1,888,690,315)
May 31, 2017	P 64,715,055	P -	P 64,715,055	(P 1,480,000,000)	P -	(P 1,415,284,945)

For financial assets and financial liabilities subject to enforceable master netting agreements or similar arrangements above, each agreement between the Group and counterparties (i.e., depository bank) allows for net settlement of the relevant financial assets and financial liabilities (i.e., interest-bearing loans) when both elect to settle on a net basis.

All other financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument (i.e., related parties) will have the option to settle all such amounts on a net basis through the approval by both parties' BOT or BOD. As such, the Group's outstanding receivables from and payables to the same related parties, if any, can potentially be offset to the extent of their corresponding outstanding balances.

6. FAIR VALUE MEASUREMENT AND DISCLOSURES

6.1 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and financial liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurable date;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

For investments which do not have quoted market price, the fair value is determined by using generally acceptable pricing models and valuation techniques or by reference to the current market of another instrument which is substantially the same after taking into account the related credit risk of counterparties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When the Group uses valuation technique, it maximizes the use of observable market data where it is available and relies as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

6.2 Financial Instruments Measurement at Fair Value

The foregoing tables show the fair value hierarchy of the Group's classes of financial assets and financial liabilities measured at fair value in the consolidated statements of financial position on a recurring basis as of:

	Level 1	Level 2	Level 3	Total
May 31, 2018				
AFS financial assets:				
Debt securities:				
Government	P 303,794,340	P -	P -	P 303,794,340
Corporate	817,814,044	-	-	817,814,044
Equity securities	755,294,472	419,112,624	-	1,174,407,096
Other non-current asset – Investment in golf club shares	-	2,830,000	-	2,830,000
	P 1,876,902,856	**P 421,942,624**	**P -**	**P2,298,845,480**
Derivative liability – Cross-currency swaps	**P -**	**(P 38,255,313)**	**P -**	**(P 38,255,313)**
May 31, 2017				
AFS financial assets:				
Debt securities:				
Government	P 479,989,235	P -	P -	P 479,989,235
Corporate	652,533,358	-	-	652,533,358
Equity securities	830,661,127	315,462,860	-	1,146,123,987
Other non-current asset – Investment in golf club shares	-	2,880,594	-	2,880,594
	P 1,963,183,720	P 354,343,454	P -	P 2,317,527,174
Derivative liability – Cross-currency swaps	P -	(P 33,365,459)	P -	(P 33,365,459)

	Level 1	Level 2	Level 3	Total
May 31, 2016				
AFS financial assets:				
Debt securities:				
Government	P 481,871,388	P -	P -	P 481,871,388
Corporate	932,765,579	-	-	932,765,579
Equity securities	754,334,231	446,109,388	-	1,200,443,619
Other non-current asset –				
Investment in golf club shares	-	5,831,330	-	5,831,330
	P 2,168,971,198	P 451,940,718	P -	P 2,620,911,916
Derivative liability –				
Cross-currency swaps	P -	(P 20,520,000)	P -	(P 20,520,000)

There were neither transfers between levels nor changes in levels of classification of instruments in all the years presented.

Following are the information about how the fair values of the Group's classes of financial assets and financial liabilities are determined.

a) *Equity Securities*

As of May 31, 2018, 2017 and 2016, instruments included in Level 1 comprise of corporate shares and UITF which are classified as AFS financial assets. The corporate shares were valued based on their market prices quoted in the PSE at the end of each reporting period. On the other hand, certain underlying assets of the UITF are in equity securities. Thus, UITF is included in Level 2 and valued based on the Net Asset Value per unit (NAVPU) of the fund, as computed by the banks. NAVPU is computed by dividing the total fair value of the fund by the total number of units at the end of each reporting period.

Golf club shares, which are presented as part of Other equity investments under the Other Non-current Assets account in the consolidated statements of financial position (see Note 16), are included in Level 2 as their prices are not derived from market considered as active due to lack of trading activities among market participants at the end or close to the end of the reporting period.

b) *Debt Securities*

The fair value of the Group's debt securities, which consist of government and corporate bonds is estimated by reference to quoted bid price in active market at the end of the reporting period and is categorized within Level 1.

c) *Derivatives*

Derivatives classified as financial asset at FVTPL or as derivative liability are included in Level 2 as their prices are not derived from market considered as active due to lack of trading activities among market participants at the end or close to the end of the reporting period.

6.3 Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

As of May 31, 2018 and 2017 (nil as of May 31, 2016), the fair value of debt securities categorized as HTM investments amounted to P301.7 million and P344.0 million, respectively, which is Level 1 in the hierarchy of fair values (see Note 5.1).

Other than the HTM investments and interest-bearing loans, management determined that due to the short-term duration of the other financial assets and financial liabilities measured at amortized costs of the Group, as described in Notes 2.5 and 2.10, their fair values as at May 31, 2018, 2017 and 2016 equal or approximate their carrying amounts. Accordingly, the Group did not anymore present a comparison of their fair values with their carrying amounts and correspondingly, their level in the fair value hierarchy. Nevertheless, if presented in the hierarchy, only cash and cash equivalents and short-term investments would fall under Level 1 and the rest would be under Level 3.

6.4 Fair Value Measurement for Non-financial Assets

(a) Determining Fair Value of Investment Properties

The following tables show the Levels within the hierarchy of non-financial assets measured at fair value (see Note 15.2).

	Level 1	Level 2	Level 3	Total
May 31, 2018:				
Land	P -	P -	P 736,027,523	P 736,027,523
Building and improvements	-	-	138,865,461	138,865,461
	P -	**P -**	**P 874,892,984**	**P 874,892,984**
May 31, 2017:				
Land	P -	P -	P 230,017,694	P 230,017,694
Building and improvements	-	-	493,417,067	493,417,067
	P -	P -	P 723,434,761	P 723,434,761
May 31, 2016:				
Land	P -	P -	P 306,761,920	P 306,761,920
Building and improvements	-	-	635,261,677	635,261,677
	P -	P -	P 947,391,597	P 947,391,597

The fair value of the Group's investment properties, except for certain investment properties owned by FRC which were determined using the discounted cash flows technique since information on appraisal reports is not readily available, are determined on the basis of the appraisals performed by an independent appraiser with appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. To some extent, the valuation process was conducted by the appraiser in discussion with the Group's management with respect to the determination of inputs such as the size, age, and condition of the land and buildings, and the comparable prices in the corresponding property location.

In estimating the fair value of these properties, management takes into account the market participant's ability to generate economic benefits by using the assets in their highest and best use. Based on management's assessment, the best use of the Group's non-financial assets indicated above is their current use.

The fair values of these non-financial assets were determined based on the following approaches:

(i) Fair Value Measurement for Land

The Level 3 fair value of land was derived using the market comparable approach that reflects the recent transaction prices for similar properties in nearby locations. Under this approach, the observable recent prices of the reference properties were adjusted for differences in key attributes such as property size, zoning, and accessibility. The most significant input into this valuation approach is the price per square foot, hence, the higher the price per square foot, the higher the fair value.

(ii) Fair Value Measurement for Building and Improvements

The Level 3 fair value of the buildings and improvements included under the Investment Properties account was determined using the cost approach that reflects the cost to a market participant to construct an asset of comparable usage, construction standards, design and layout, adjusted for obsolescence. The more significant inputs used in the valuation include direct and indirect costs of construction such as but not limited to, labor and contractor's profit, materials and equipment, surveying and permit costs, electricity and utility costs, architectural and engineering fees, insurance and legal fees. These inputs were derived from various suppliers and contractor's quotes, price catalogues, and construction price indices. Under this approach, higher estimated costs used in the valuation will result in higher fair value of the properties.

There has been no change to the valuation techniques used by the Group during the year for its non-financial assets. Also, there were no transfers into or out of the different levels of the fair value hierarchy as of May 31, 2018, 2017 and 2016.

The carrying amount of investment properties included in Level 3 is presented in Note 15.

(b) Other Fair Value Information

There were no transfers into or out of Level 3 fair value hierarchy during the periods ended May 31, 2018, 2017 and 2016.

7. SEGMENT INFORMATION

7.1 Business Segments

The Group is organized into different business units based on its services or line of business for purposes of management assessment of each unit. In identifying its operating segments, management generally follow the Group's three major lines of business, namely education, real estate and investment activities. These are the basis of the Group in reporting to its strategic steering committee for its strategic decision-making activities.

Also, the Group reports geographical segments in which FEU campuses are located.

7.2 Segment Assets and Liabilities

Segment assets include all operating assets used by a segment and consist primarily of operating cash and cash equivalents, trade and other receivables, AFS financial assets, real estate held-for-sale, investment properties, and property and equipment.

Segment assets do not include investments in an associate, deferred tax assets and other assets which are not allocated to any segment's assets.

Segment liabilities include all operating liabilities as presented in the consolidated statements of financial position, except for deferred tax liabilities.

7.3 Intersegment Transactions

Segment revenues, expenses and performance include revenues and purchases between business segments and between geographical segments. Such services and purchases are eliminated in consolidation.

7.4 Analysis of Segment Information

Segment information can be analyzed by business line as follows for the years ended May 31, 2018, 2017 and 2016 (in thousands):

				Real Estate											
	Education			Rental Income			Sale of Properties			Investments			Total		
	2018	2017	2016	**2018**	2017	2016	**2018**	2017	2016	**2018**	2017	2016	**2018**	2017	2016
REVENUES															
From external customers	**P 2,620,181**	P2,816,831	P122,196	**P 42,028**	P 43,430	P 10,802	P -	P -	P -	**P 193,493**	P 180,126	P 31,513	**P 2,855,702**	P 3,040,387	P 164,511
Intersegment revenues	**-**	-	-	**178,252**	163,615	240	-	-	-	**395**	-	-	**178,647**	163,615	240
Total revenues	**2,620,181**	2,816,831	122,196	**220,280**	207,045	11,042	-	-	-	**193,888**	180,126	31,513	**3,034,349**	3,204,002	164,751
COSTS AND OTHER OPERATING EXPENSES															
Cost of sales and services excluding depreciation	**1,292,720**	1,292,720	200,595	**34,204**	-	-	-	-	-	**-**	-	-	**1,326,824**	1,292,720	200,595
Depreciation	**275,246**	272,097	29,385	**31,087**	30,012	3,563	-	-	-	**-**	-	-	**306,333**	302,109	32,948
Other expenses	**523,861**	461,288	87,992	**-**	-	-	-	-	-	**15,262**	10,754	-	**539,123**	472,042	87,992
	2,091,827	2,026,105	317,972	**65,191**	30,012	3,563	-	-	-	**15,262**	-	705	**2,172,280**	2,066,871	321,535
SEGMENT OPERATING INCOME (LOSS)	**P 528,354**	P 790,726	(P195,776)	**P 155,089**	P 177,033	P 7,479	**P -**	P -	P -	**P 178,626**	P 169,372	P 31,513	**P 862,069**	P 1,137,131	(P 156,784)
TOTAL ASSETS AND LIABILITIES															
Segment assets	**P 8,635,533**	P 6,813,718	P 5,793,725	**P 2,106,778**	P 2,092,755	P 2,078,378	**P 170,573**	P 238,162	P124,476	**P 4,334,007**	P 4,131,904	P 3,557,929	**P 15,246,891**	P 13,276,539	P 11,554,508
Segment liabilities	**P 4,308,982**	P 3,439,476	P 2,624,519	**P 2,088**	P 12,071	P 33,953	**P -**	P -	P -	**P 339,387**	P 51,126	P 2,479	**P 4,650,457**	P 3,502,673	P 2,660,951

The Group's geographical segment for the periods ended May 31, 2018, 2017 and 2016 follows (in thousands).

	Manila	Makati	Cavite	Quezon City, Marikina City and Rizal	Total
May 31, 2018					
Segment revenues					
From external customers	P 2,444,727	P 89,282	P 90,502	P 231,191	P 2,855,702
Intersegment revenues	178,647	-	-	-	178,647
Total revenues	2,623,374	89,282	90,502	231,191	3,034,349
Operating expenses	(1,867,061)	22,304	(72,918)	(254,605)	(2,172,280)
Segment operating profit (loss)	**P 756,313**	**P 111,586**	**P 17,584**	**(P 23,414)**	**P 862,069**
Total Segment Assets	**P 13,717,653**	**P 99,104**	**P 143,555**	**P 1,286,669**	**P 15,246,891**
Total Segment Liabilities	**P 3,924,819**	**P 64,010**	**P 27,583**	**P 634,045**	**P 4,650,457**
May 31, 2017					
Segment revenues					
From external customers	P 2,664,722	P 116,616	P 92,855	P 166,194	P 3,040,387
Intersegment revenues	163,615	-	-	-	163,615
Total revenues	2,828,337	116,616	92,855	166,194	3,204,002
Operating expenses	(1,974,084)	(21,872)	(70,915)	(187,332)	(2,066,871)
Segment operating profit (loss)	P 854,253	P 94,744	P 21,940	(P 21,138)	P 1,137,131
Total Segment Assets	P 11,873,823	P 98,374	P 130,063	P 1,174,279	P 13,276,539
Total Segment Liabilities	P 2,911,840	P 65,664	P 21,574	P 503,595	P 3,502,673
May 31, 2016					
Segment revenues					
From external customers	P 154,618	P 4,093	P -	P 5,800	P 164,511
Intersegment revenues	240	-	-	-	240
Total revenues	154,858	4,093	-	5,800	164,751
Operating expenses	(318,967)	(2,568)	-	-	(321,535)
Segment operating profit	(P 164,109)	P 1,525	P -	P 5,800	(P 156,784)
Total Segment Assets	P 10,282,957	P 97,125	P 102,294	P 1,072,132	P 11,554,508
Total Segment Liabilities	P 2,578,024	P 67,202	P 15,725	P 382,615	P 2,660,951

7.5 Reconciliation

Presented below and in the succeeding page is a reconciliation of the Group's segment information to the key financial information presented in its consolidated financial statements (in thousands).

	2018 (One Year)	2017 (One Year)	2016 (Two Months)
Revenue			
Total segment revenues	**P 3,034,349**	P 3,204,002	P 164,751
Elimination of intersegment revenues	**(178,647)**	(163,615)	(240)
Finance income	**(193,493)**	(180,126)	(31,513)
Revenues as reported in consolidated profit or loss	**P 2,662,209**	P 2,860,261	P 132,998

	2018 (One Year)	2017 (One Year)	2016 (Two Months)
Profit or loss			
Segment operating profit (loss)	**P 862,069**	P 1,137,131	(P 156,784)
Other income	**58,205**	69,264	13,123
Finance costs	**(95,374)**	(88,838)	(6,278)
Other charges	**(95)**	(71)	-
Other unallocated expense	**(184,664)**	(189,751)	(32,162)
Tax income (expense)	**(92,510)**	(121,283)	15,539
Group net profit (loss) as reported in profit or loss	**P 547,631**	P 806,452	(P 166,562)
Assets			
Segment assets [As Restated – Note 2.1(d)]	**P 15,246,891**	P 13,280,234	P 11,556,708
Investment in an associate	**6,491**	6,586	6,657
Deferred tax assets – net	**18,135**	20,272	36,165
Goodwill	**186,487**	186,487	186,487
Elimination of intercompany accounts	**(2,270,610)**	(1,533,736)	(950,967)
Total Assets	**P 13,187,394**	P 11,959,843	P 10,835,050
Liabilities			
Segment liabilities [As Restated – Note 2.1(d)]	**P 4,650,457**	P 3,506,368	P 2,663,151
Deferred tax liabilities – net	**19,490**	10,697	4,360
Elimination of intercompany accounts	**(523,950)**	(379,847)	(41,041)
Total Liabilities	**P 4,145,997**	P 3,137,218	P 2,626,470

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components:

	2018	2017	2016
Cash on hand and in banks	**P 640,127,921**	P 670,741,445	P 411,151,545
Short-term placements	**215,203,580**	855,459,803	802,199,035
	P 855,331,501	P 1,526,201,248	P 1,213,350,580

Cash in banks generally earn interest based on daily bank deposit rates. Short-term placements are made for varying periods of up to three months depending on the immediate cash requirements of the Group.

These placements earn effective annual interest as follows:

	2018	2017	2016
Peso placements	**0.8% to 3.4%**	0.8% to 2.4%	0.8% to 2.4%
USD-denominated placements	**1.0%**	1.0%	0.8%

Interest income earned from cash and cash equivalents are presented as part of Finance Income in the consolidated statements of profit or loss (see Note 21.1). The related interest receivable from placements as of May 31, 2018, 2017 and 2016 is presented as part of Accrued interest under the Trade and Other Receivables account in the consolidated statements of financial position (see Note 9).

9. TRADE AND OTHER RECEIVABLES

This account is composed of the following:

	Notes	2018	2017 [As Restated – see Note 2.1(d)]	2016 [As Restated – see Note 2.1(d)]
Current:				
Non-related parties:				
Tuition and other school fees		**P 432,036,668**	P 405,579,917	P 351,592,354
Rental receivable		**14,910,402**	-	-
		446,947,070	405,579,917	351,592,354
Related parties:				
Non-trade advances	24.5	**55,224,689**	36,650,669	60,620,804
Rental receivable	24.4	**11,358,633**	10,302,739	21,117,891
Management fee receivable	24.3	**-**	-	7,996,500
		66,583,322	46,953,408	89,735,195
Others:				
Advances to officers and employees		**12,017,062**	7,368,614	5,368,928
Accrued interest	8, 10, 11	**5,329,704**	12,423,404	42,696,624
Miscellaneous		**66,892,539**	34,263,303	15,340,243
		84,239,305	54,055,321	63,405,795
		597,769,697	506,588,646	504,733,344
Allowance for impairment on tuition and other school fees receivables		**(57,427,498)**	(56,518,591)	(56,648,644)
		P 540,342,199	P 450,070,055	P 448,084,700
Non-current –				
Loans to employees		**P 2,939,451**	P 1,701,014	P 2,176,503

Advances to officers and employees comprise of unsecured and noninterest-bearing advances, which are liquidated or payable through salary deduction within 15 days from the earlier date between the release of the advances and the event to which the advances are utilized.

Loans to employees pertain to the balance of cash advances granted to RCI's employees, including the related accrued interest receivable, which are secured and will be settled upon the employees' eventual retirement.

A reconciliation of the allowance for impairment loss on receivables at the beginning and end of each of the reporting period is shown below.

	Notes	**2018**	2017	2016
Balance at beginning of period		**P 56,518,591**	P 56,648,644	P 47,565,199
Impairment losses during the period	20	**56,919,308**	54,733,116	2,021,883
Impairment loss on receivables of newly acquired subsidiary	1.2	**-**	-	7,061,562
Receivables written-off during the period		**(56,010,401)**	(54,863,169)	-
Balance at end of period		**P 57,427,498**	P 56,518,591	P 56,648,644

All of the Group's receivables had been reviewed for indicators of impairment. Full allowance is provided on receivables from students for uncollected tuition fees of the previous school term when the specific student from whom it is due does not enroll in the succeeding school term. During the periods ended May 31, 2018, 2017 and 2016, certain tuition and other school fees receivables were found to be impaired and corresponding impairment loss is recognized as part of General expenses under Cost and Operating Expenses in the consolidated statements of profit or loss (see Note 20). The allowance for impairment loss on receivables from students as of May 31, 2018, 2017 and 2016 pertains to amounts which have been outstanding for more than one semester and specifically identified to be impaired.

No allowance for impairment loss on all other receivables is provided as of May 31, 2018, 2017 and 2016 since management believes that those are collectible in full. However, during the year ended May 31, 2017, management identified certain accrued interest amounting to P24.5 million that are no longer reasonable, hence, was written off. It was presented as Loss on write-off of receivable under Finance Costs in the consolidated statements of profit or loss (see Note 21.2).

Miscellaneous receivables significantly pertain to due from brokers that is receivable by the University's trust funds, receivables from tenants for utilities and receivables from bank.

10. CROSS-CURRENCY SWAPS

The Group has existing cross-currency swap contracts to hedge its foreign currency exposure related to its foreign currency-denominated investment in bonds which were reclassified from AFS Financial Assets to HTM Investments in fiscal year 2017 (see Note 11). As of May 31, 2018, 2017 and 2016, the fair value of these cross-currency swaps amounting to P38.3 million, P33.4 million and P20.5 million, is presented as Derivative Liability in the consolidated statements of financial position. The related fair value losses are presented as part of fair value loss on financial asset at FVTPL under Finance Costs in the consolidated statements of profit or loss (see Note 21.2).

Being denominated in foreign currency, the related interest receivable from cross-currency agreement has been adjusted to the prevailing exchange rate resulting in the recognition of cross-currency loss amounting to P0.3 million, P0.7 million and P0.2 million for the periods ended May 31, 2018, 2017 and 2016, respectively, which are presented as part of Finance Costs, respectively, in the consolidated statements of profit or loss (see Note 21.2).

11. FINANCIAL ASSETS

11.1 AFS Financial Assets

AFS financial assets are classified in the consolidated statements of financial position as follows:

	2018	2017	2016
Current	**P 2,119,491,677**	P 2,139,654,834	P 2,156,987,745
Non-current	**176,523,803**	138,991,746	458,092,841
	P 2,296,015,480	P 2,278,646,580	P 2,615,080,586

The types of investments classified under AFS financial assets consist of the following:

	2018	2017	2016
Debt securities:			
Government	**P 303,794,340**	P 479,989,235	P 481,871,388
Corporate	**817,814,044**	652,533,358	932,765,579
	1,121,608,384	1,132,522,593	1,414,636,967
Equity securities:			
Corporate shares	**755,294,472**	830,661,127	754,334,231
UITF	**419,112,624**	315,462,860	446,109,388
	1,174,407,096	1,146,123,987	1,200,443,619
	P 2,296,015,480	P 2,278,646,580	P 2,615,080,586

The fair values of equity securities and debt securities have been determined based on quoted prices in active markets (see Note 6.2).

The breakdown of quoted AFS financial assets as to currency denomination is as follows:

	2018	2017	2016
Local	**P 1,978,558,725**	P 2,089,601,391	P 2,267,894,276
Foreign	**317,456,755**	189,045,189	347,186,310
	P 2,296,015,480	P 2,278,646,580	P 2,615,080,586

As of March 31, 2016, portion of the foreign currency-denominated AFS financial assets amounting to P335.8 million pertain to corporate bonds which are subject to cross-currency swap agreement with a term coinciding with that of the term of the said bonds (see Note 10). In 2017, the Group reclassified these AFS financial assets as HTM investments (see Note 11.2).

Analyses of the movements in the carrying amounts of the Group's investments held by trustee banks are presented below.

	2018	2017	2016
Balance at beginning of period	**P 2,278,646,580**	P 2,615,080,586	P 2,601,570,593
Additions	**2,664,941,069**	2,762,841,360	336,246,224
Disposals	**(2,577,439,726)**	(2,739,752,106)	(345,956,668)
Fair value gains (losses) - net	**(72,164,820)**	(26,502,768)	19,045,735
Unrealized foreign exchange gains - net	**2,032,377**	2,827,247	4,174,702
Reclassification to HTM investments (see Note 11.2)	**-**	(335,847,739)	-
Balance at end of period	**P 2,296,015,480**	P 2,278,646,580	P 2,615,080,586

Investment income from AFS financial assets, which includes dividend income, gain or loss on disposal, and realized fair value gains or losses, totaling P102.4 million, P87.5 million, and P16.2 million for the periods ended May 31, 2018, 2017 and 2016, respectively, have been reinvested as part of additions to AFS financial assets and are presented separately as Interest income from AFS financial assets and as Other investment income from AFS financial assets under Finance Income in the consolidated statements of profit or loss (see Note 21.1). The related outstanding interest is presented as part of Accrued interest under the Trade and Other Receivables account in the consolidated statements of financial position (see Note 9).

The total cumulative fair value gains amounting to P29.6 million, P36.9 million and P3.3 million for the periods ended May 31, 2018, 2017 and, respectively, which are reclassified from equity to profit or loss as a result of disposal of certain AFS financial assets, are presented as Fair Value Gains Reclassified to Profit or Loss in the consolidated statements of comprehensive income.

11.2 Held-to-Maturity Investments

As of May 31, 2018 and 2017, the Group's HTM investments are classified in the consolidated statements of financial position as follows:

	2018	2017
Current	**P -**	P 95,148,019
Non-current	**297,284,616**	241,418,315
	P 297,284,616	P 336,566,334

These investments are composed of corporate bonds with maturities ranging from one to 32 years, which consist of peso and US dollar-denominated bonds issued by various local and foreign companies and bear fixed interest rates ranging from 3.2% to 7.4% per annum.

In 2017, the Group reclassified portion of its AFS financial assets with total fair value of P335.8 million as of date of reclassification to HTM investments because it intends to hold these debt securities until maturity. A portion of these reclassified bonds are still held by the Group with carrying values of P190.5 million and P238.5 million as of May 31, 2018 and 2017, respectively, and has fair values of P251.5 million and P344.0 million as of May 31, 2018 and 2017, respectively. There was no reclassification made during the period ended May 31, 2018.

The breakdown of HTM investments as to currency denomination is as follows:

	2018	2017
Local	**P 15,000,000**	P 45,000,000
Foreign	**282,284,616**	291,566,334
	P 297,284,616	P 336,566,334

As of May 31, 2018 and 2017, certain foreign currency denominated HTM investments amounting to P190.5 million and P238.5 million, respectively, are subject to cross-currency swap agreement with a term coinciding with that of the term of the said bonds (see Note 10).

An analysis of the movements in the carrying amount of the Group's HTM investments for the year ended May 31, 2018 and 2017 is presented below.

	2018	2017
Balance at beginning of year	**P 336,566,334**	P -
Maturities	**(102,743,344)**	(30,297,340)
Additions	**52,500,099**	15,000,000
Foreign currency gains – net	**15,173,879**	19,804,641
Amortization of discount – net	**(4,212,352)**	(3,788,706)
Reclassifications from AFS AFS investments (see Note 11.1)	**-**	335,847,739
	P 297,284,616	P 336,566,334

As of May 31, 2018 and 2017, the unamortized discount relating to HTM investments amounts to P9.8 million and P6.9 million. Net amortization of discount during the years ended May 31, 2018 and 2017, amounting to P4.2 million and P3.8 million, respectively, is presented as part of other investment income from AFS financial assets and HTM investments (see Note 21.1).

12. REAL ESTATE HELD-FOR-SALE

Real estate held-for-sale represents inventory of lots for sale at the following locations:

	2018	2017	2016
Silang, Cavite	**P 123,533,559**	P 141,547,959	P 94,837,617
Quezon City	**-**	-	26,776,259
	P 123,533,559	P 141,547,959	P 121,613,876

During the years ended May 31, 2018 and 2017, management decided to lease its land and building unit with a carrying value of P20.9 million and P26.8 million, respectively, located in Quezon City to third parties. Accordingly, these were reclassified to the Investment Properties account in the consolidated statements of financial position as of May 31, 2018 and 2017. No reclassification was made during the two months ended May 31, 2016.

Management believes that the carrying values of these assets are lower than their net realizable values considering present market rates; thus, no impairment loss is recognized for the periods ended May 31, 2018, 2017 and 2016.

13. INVESTMENT IN AN ASSOCIATE

This account consists of the following:

	2018	2017	2016
Acquisition cost	**P 7,878,121**	P 7,878,121	P 7,878,121
Accumulated equity in net losses:			
Balance at beginning of period	**(1,292,320)**	(1,221,387)	(1,221,387)
Share in net losses	**(94,876)**	(70,933)	-
Balance at end of period	**(1,387,196)**	(1,292,320)	(1,221,387)
	P 6,490,925	P 6,585,801	P 6,656,734

The Group's share in the net losses of the JMCI is presented as Other Charges in the consolidated statements of profit and loss.

Presented below is JMCI's summary of financial information in its most recent audited financial statements as of and for the years ended December 31:

	2017	2016
Total assets	**P 14,958,961**	P 15,055,546
Total liabilities	**1,811,410**	1,714,370
Total equity	**13,147,551**	13,341,176
Net loss	**193,625**	144,762

** JMCI has no available audited financial information as of May 31, 2018 but management believes that it will not materially differ from the preceding.*

JMCI was established to provide management and technical advice, assistance and services for commercial, manufacturing and other kinds of enterprises.

As of May 31, 2018, 2017 and 2016, management believes that the recoverable amount of its investment in JMCI is higher than its carrying value.

14. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of property and equipment at the beginning and end of each of the reporting period are as follows:

	Land	**Building and Improvements**	**Furniture and Equipment**	**Miscellaneous Equipment**	**Construction in Progress**	**Total**
May 31, 2018						
Cost	P 2,942,991,320	P 3,830,649,516	P 657,057,538	P 271,731,888	P 1,229,203,637	P 8,931,633,899
Impairment loss	-	(2,804,401)	-	-	-	(2,804,401)
Accumulated depreciation and amortization	-	(999,001,670)	(509,328,897)	(214,867,498)	-	(1,723,198,065)
Net carrying value	**P 2,942,991,320**	**P 2,828,843,445**	**P 147,728,641**	**P 56,864,390**	**P 1,229,203,637**	**P 7,205,631,433**

	Land	Building and Improvements	Furniture and Equipment	Miscellaneous Equipment	Construction in Progress	Total
May 31, 2017 [As Restated – see Note 2.1(d)]						
Cost	P 2,808,790,543	P 3,764,979,988	P 560,572,169	P 256,711,718	P 111,327,723	P 7,502,382,141
Accumulated depreciation and amortization	-	(819,005,876)	(432,174,633)	(194,903,769)	-	(1,446,084,278)
Net carrying value	P 2,808,790,543	P 2,945,974,112	P 128,397,536	P 61,807,949	P 111,327,723	P 6,056,297,863
May 31, 2016						
Cost	P 2,625,235,982	P 3,512,384,148	P 517,993,214	P 215,693,481	P 11,073,064	P 6,882,379,889
Accumulated depreciation and amortization	-	(650,877,312)	(349,665,685)	(171,515,332)	-	(1,172,058,329)
Net carrying value	P 2,625,235,982	P 2,861,506,836	P 168,327,529	P 44,178,149	P 11,073,064	P 5,710,321,560

A reconciliation of the carrying amounts of property and equipment at the beginning and end of each of the reporting period is shown below.

	Land	**Building and Improvements**	**Furniture and Equipment**	**Miscellaneous Equipment**	**Construction in Progress**	**Total**
Balance at June 1, 2017 [As Restated – see Note 2.1(d)], net of accumulated depreciation and amortization	P 2,808,790,543	P 2,945,974,112	P 128,397,536	P 61,807,949	P 111,327,723	P 6,056,297,863
Additions	76,830,888	108,544,022	78,660,551	13,893,630	1,147,241,912	1,425,171,003
Reclassifications from (to) - net	57,369,889	(42,874,494)	17,824,818	1,126,540	(29,365,998)	4,080,755
Impairment loss	-	(2,804,401)	-	-	-	(2,804,401)
Depreciation and amortization charges for the year	-	(179,995,794)	(77,154,264)	(19,963,729)	-	(277,113,787)
Balance at May 31, 2018, net of accumulated depreciation and amortization	**P 2,942,991,320**	**P 2,828,843,445**	**P 147,728,641**	**P 56,864,390**	**P 1,229,203,637**	**P 7,205,631,433**
Balance at June 1, 2016, net of accumulated depreciation and amortization	P 2,625,235,982	P 2,861,506,836	P 168,327,529	P 44,178,149	P 11,073,064	P 5,710,321,560
Additions	118,813,058	245,061,455	74,617,515	9,028,678	124,458,104	571,978,810
Disposal	-	-	-	(49,001)	-	(49,001)
Reclassifications from (to) - net	64,741,503	7,534,385	(32,038,560)	32,038,560	(24,203,445)	48,072,443
Depreciation and amortization charges for the year	-	(168,128,564)	(82,508,948)	(23,388,437)	-	(274,025,949)
Balance at May 31, 2017 [As Restated – see Note 2.1(d)], net of accumulated depreciation and amortization	P 2,808,790,543	P 2,945,974,112	P 128,397,536	P 61,807,949	P 111,327,723	P 6,056,297,863
Balance at April 1, 2016, net of accumulated depreciation and amortization	P 1,624,916,892	P 2,567,775,139	P 174,252,184	P 45,729,015	P 11,073,064	P 4,423,746,294
Additions	-	37,487,341	7,288,334	733,720	-	45,509,395
Property and equipment of newly acquired subsidiary (see Note 1.2)	1,000,319,090	18,795,081	-	-	-	1,019,114,171
Reclassifications from - net	-	263,376,886	-	-	-	263,376,886
Depreciation and amortization charges for the period	-	(25,927,611)	(13,212,989)	(2,284,586)	-	(41,425,186)
Balance at May 31, 2016, net of accumulated depreciation and amortization	P 2,625,235,982	P 2,861,506,836	P 168,327,529	P 44,178,149	P 11,073,064	P 5,710,321,560

Construction in progress pertains to the costs incurred for the construction of EACCI's school building and the on-going construction of the school building of FEUAI.

In 2018, the Group restated its consolidated financial statements as of and for the year ended May 31, 2017 because a portion of the cost reclassifications to land attributable to the Group amounting to P381.2 million was inadvertently misallocated between property and equipment and investment properties [see Note 2.1(d)].

During the two months ended May 31, 2016, the lease agreement between EACCI and East Asia Educational Foundation, Inc. (EAEF) was pre-terminated. Accordingly, certain portions of EACCI's school building with carrying amount of P263.4 million which were previously classified as investment properties were transferred to Property and Equipment account. This represents the cost allocated to the portion of the building which was previously leased out to EAEF (see Note 20).

The carrying value of property and equipment for the period ended May 31, 2016 includes the capitalized borrowing costs amounting to P3.9 million that were incurred on bank loans obtained to finance the purchase of land and the eventual construction of the school building which forms part of the qualifying asset to be leased out to FEUAI [see Note 18(b)]. For the year ended May 31, 2018, borrowing costs amounting to P15.9 million (nil in 2017) were capitalized, using the effective rate of 8.53%, on the said property following the transfer of ownership of the school building from the Parent Company to FEUAI in 2017.

As of May 31, 2016, certain portion of RCI's land amounting to P177.2 million was used as collateral for its outstanding loans [see Note 18(e) and 18(f)]. As of May 31, 2017, the properties were released from the collateral as the related loans were fully paid. There was no similar transaction for the year ended May 31, 2018.

As of May 31, 2018, 2017 and 2016, certain fully depreciated assets with acquisition cost of P628.4 million, P351.4 million and P68.8 million, respectively, are still being used in the Group's operations.

In 2018, the Group recognized impairment on certain building and improvements of RCI due to the closure of its Cubao and San Mateo campuses amounting to P2.8 million, and is presented as part of Impairment losses, under Cost and Operating Expenses in the consolidated statements of profit or loss (see Note 20).

15. INVESTMENT PROPERTIES

The gross carrying amounts and accumulated depreciation and amortization of investment properties at the beginning and end of each of the reporting period are shown below.

	Land	Land Improvements	Building and Improvements	Construction in Progress	Total
May 31, 2018					
Cost	P 10,524,947	P 5,680,641	P 434,712,133	P 8,001,388	P 458,919,109
Accumulated depreciation and amortization	-	(4,151,118)	(303,848,062)	-	(307,999,180)
Net carrying amount	**P 10,524,947**	**P 1,529,523**	**P 130,864,071**	**P 8,001,388**	**P 150,919,929**
May 31, 2017 [As Restated – see Note 2.1(d)],					
Cost	P 42,505,907	P 5,133,856	P 410,366,371	P 6,621,971	P 464,628,105
Accumulated depreciation and amortization	-	(3,636,630)	(275,143,732)	-	(278,780,362)
Net carrying amount	P 42,505,907	P 1,497,226	P 135,222,639	P 6,621,971	P 185,847,743

	Land	Land Improvements	Building and Improvements	Construction in Progress	Total
May 31, 2016					
Cost	P 102,102,410	P 4,705,218	P 343,000,978	P 4,571,163	P 454,379,769
Accumulated depreciation and amortization	-	(3,212,771)	(247,484,278)	-	(250,697,049)
Net carrying amount	P 102,102,410	P 1,492,447	P 95,516,700	P 4,571,163	P 203,682,720

A reconciliation of the carrying amounts of investment properties at the beginning and end of each of the reporting period are shown below.

	Land	**Land Improvements**	**Building and Improvements**	**Construction in Progress**	**Total**
Balance at June 1, 2017 [As Restated – see Note 2.1(d)], net of accumulated depreciation and amortization	P 42,505,907	P 1,497,226	P 135,222,639	P 6,621,971	P 185,847,743
Additions	-	546,785	306,826	21,459,769	22,313,380
Reclassifications - net	(31,980,960)	-	24,038,936	(20,080,352)	(28,022,376)
Depreciation and amortization charges for the period	-	(514,488)	(28,704,330)	-	(29,218,818)
Balance at May 31, 2018, net of accumulated depreciation and amortization	**P 10,524,947**	**P 1,529,523**	**P 130,864,071**	**P 8,001,388**	**P 150,919,929**
Balance at June 1, 2016, net of accumulated depreciation and amortization	P 102,102,410	P 1,492,447	P 95,516,700	P 4,571,163	P 203,682,720
Additions	-	428,638	16,672,893	9,462,814	26,564,345
Reclassifications - net	(59,596,503)	-	50,692,500	(7,412,006)	(16,316,009)
Depreciation and amortization charges for the period	-	(423,859)	(27,659,454)	-	(28,083,313)
Balance at May 31, 2017 [As Restated – see Note 2.1(d)], net of accumulated depreciation and amortization	P 42,505,907	P 1,497,226	P 135,222,639	P 6,621,971	P 185,847,743
Balance at April 1, 2016, net of accumulated depreciation and amortization	P 98,155,093	P 1,492,447	P 361,978,974	P 101,510,830	P 563,137,344
Additions	3,947,317	-	478,000	-	4,425,317
Reclassifications - net	-	-	(263,376,886)	(96,939,667)	(360,316,553)
Depreciation and amortization charges for the year	-	-	(3,563,388)	-	(3,563,388)
Balance at May 31, 2016, net of accumulated depreciation and amortization	P 102,102,410	P 1,492,447	P 95,516,700	P 4,571,163	P 203,682,720

15.1 Related Income and Direct Expenses

The total rental income earned by the Group from its investment properties amounting to P42.0 million, P43.4 million and P10.8 million for the periods ended May 31, 2018, 2017 and 2016, respectively, are presented as part of Other Operating Income in the consolidated statements of profit or loss. The direct operating expenses, which include depreciation and amortization, insurance, and real property taxes incurred by the Group relating to investment properties, are presented as part of Depreciation and amortization, Property insurance, and Taxes and licenses, under Costs and Operating Expenses in the consolidated statements of profit or loss (see Note 20).

15.2 Fair Values of Investment Properties

Based on the latest appraisal report of an independent appraiser, the total fair value of investment properties amounted to P874.9 million, P723.4 million and P947.4 million as of May 31, 2018, 2017 and 2016, respectively. Information about the fair value measurement and disclosures related to investment properties are presented in Note 6.4.

16. OTHER ASSETS

The breakdown of this account is as follows:

	2018	2017 [As Restated – see Note 2.1(d)]	2016 [As Restated – see Note 2.1(d)]
Current:			
Short-term investments	**P 917,501,695**	P 140,435,812	P 119,676,213
Advances to suppliers	**240,723,135**	404,924,056	-
Input VAT	**129,709,053**	90,562,226	85,164,835
Prepaid expenses	**51,082,868**	33,350,675	9,908,235
Others	**23,529,040**	21,384,727	13,196,451
	1,362,545,791	690,657,496	227,945,734
Allowance for impairment of input VAT	**(10,980,897)**	(10,980,897)	(10,980,897)
	P 1,351,564,894	P 679,676,599	P 216,964,837
Non-current:			
Advances to developers	**P 129,867,189**	P 79,417,861	P 60,871,315
Long-term investments	**11,527,360**	-	-
Refundable deposits	**8,493,476**	7,644,089	7,763,044
Other equity investments	**2,830,000**	2,880,594	5,831,330
	P 152,718,025	P 89,942,544	P 74,465,689

Advances to suppliers pertain to advances made by FEUAI to its suppliers for the construction of its campus, which will be applied as payment for progress billings of the contractors.

Short-term investments, which consist of special savings deposits and investment in special deposit accounts, earn interest ranging from 1.00% to 3.55%, from 0.64% to 2.5% and from 0.63% to 2.5% for the year ended May 31, 2018, 2017 and 2016, respectively (see Note 21.1). These investments are maturing beyond three months but within one year from the end of each reporting period.

Advances to developers represent the amount paid for FRC's condominium units purchased at pre-selling stage that are not yet ready for occupancy or fully constructed at the end of the reporting periods.

Long-term investments consist of investment in time deposit accounts, which earn interest based on effective rate of 6.63% for the year ended May 31, 2018. These investments are maturing beyond one year from the end of each reporting period.

Other current assets include merchandise inventory items relating to the Group's books store and the current portion of the refundable deposits.

17. TRADE AND OTHER PAYABLES

This account consists of:

	Notes	2018	2017 [As Restated – see Note 2.1(d)]	2016 [As Restated – see Note 2.1(d)]
Non-related parties:				
Trade payables		**P 400,324,241**	P 152,546,489	P 66,885,705
Retention payable	1.2	**265,708,916**	195,900,883	205,011,243
Dividends payable	25.3(b)	**201,661,265**	181,662,771	158,055,674
Accrued expenses	18	**165,004,291**	152,741,451	168,359,245
Deposits payable		**120,688,679**	120,107,633	65,445,246
Amounts due to students		**33,201,125**	35,247,610	32,630,425
NSTP trust fund		**512,508**	6,510,753	6,992,910
Deferred output VAT		**-**	-	243,982
		1,187,101,025	844,717,590	703,624,430
Related parties:				
Payable to FEU retirement plan	24.4	**35,259,257**	25,065,653	19,584,884
Advances from related parties	24.2(b)	**6,343,848**	4,324,760	11,883,087
Others	24.7, 24.9	**1,452,500**	1,562,514	17,976,043
		43,055,605	30,952,927	49,444,014
Others:				
Withholding taxes and other payables		**47,474,350**	50,867,909	40,120,467
Accrued salaries and employee benefits		**19,547,330**	18,886,243	20,520,146
Miscellaneous		**8,517,717**	16,333,474	8,682,255
		75,539,397	86,087,626	69,322,868
		P 1,305,696,027	P 961,758,143	P 822,391,312

As of May 31, 2018, 2017 and 2016, retention payable includes portion of the consideration given for the acquisition of RCI which is retained by the University to ensure compliance by the selling shareholders of RCI to certain terms of the SPA. This amounts to P179.5 million, P182.3 million and P146.1 million as of May 31, 2018, 2017 and 2016, respectively, and is currently maintained in an escrow account with a local bank. On the other hand, the remaining portion of retention payable pertains to the amounts owed to the Group's contractors of its ongoing construction projects.

Accrued expenses include the Group's accrual for salaries, professional's fees, interest, utilities, rentals and directors' bonuses, among others.

Deposits payable are amounts collected on behalf of students and due to third parties mainly for laboratory use, school uniforms of students, thesis tutorial, advising and defense, educational tours and various socio-civic activities. During the years ended May 31, 2018 and 2017, certain deposits payable recognized in prior years amounting to P2.7 million and P0.2 million, respectively, were recognized as income because the purpose for which the collections were made have already been fulfilled. The related gains are presented as part of Other Income in the consolidated statements of profit or loss for the years ended May 31, 2018 and 2017. No similar transaction occurred during the two months ended May 31, 2016.

Amounts due to students represent excess payment of tuition and miscellaneous fees that are refundable to them.

The NSTP trust funds collected from students by the University, FECSI and EACCI amounted to P8.5 million, P20.1 million and P5.5 million for the periods ended May 31, 2018, 2017 and 2016, respectively. As of May 31, 2018, 2017 and 2016, remaining balance of P0.5 million, P6.5 million and P7.0 million, respectively, is set aside as a contingency fund and is presented as NSTP trust fund.

Payable to FEU retirement plan are employee contributions that are yet to be remitted to the retirement fund. These amounts are subsequently remitted after the annual reporting dates.

18. INTEREST-BEARING LOANS

The composition of the Group's outstanding loans are shown below.

	2018	2017	2016
Current	**P 1,183,571,429**	P 332,857,143	P 8,166,667
Non-current	**1,333,571,429**	1,617,142,857	1,484,166,667
	P 2,517,142,858	P 1,950,000,000	P 1,492,333,334

The outstanding principal balance and other relevant details of the Group's outstanding loans, including explanatory notes are shown are as follows:

Outstanding Principal Balances (in Millions)			Explanatory Notes	Interest Rate	Security	Maturity date
2018	2017	2016				
P 761.9	P 800.0	P 800.0	(a)	Base interest** plus	Unsecured	2023
550.5	680.0	680.0	(b)	0.75% or prevailing	Unsecured	2022
161.9	200.0	-	(c)	rate on	Unsecured	2022
142.8	150.0	-	(d)	special deposit	Unsecured	2023
85.0	-	-	(e)	accounts	Unsecured	2022
50.0	50.0	-	(f)	3.75% per	Unsecured	2018
200.0	-	-	(g)	annum fixed	Unsecured	2018
175.0	-	-	(h)	up to maturity	Unsecured	2018
60.0	-	-	(i)	4.0% per annum	Unsecured	2018
80.0	-	-	(j)	4.75% per	Unsecured	2018
100.0	-	-	(k)	annum	Unsecured	2018
80.0	-	-	(l)	4.0% per	Unsecured	2018
70.0	70.0	-	(m)	annum	Unsecured	2018
-	-	8.3	(n)	8.5% per annum	Secured	2019
-	-	4.0	(o)	11.0% per annum	Secured	2017
P 2,517.1	P 1,950.0	P 1,492.3				

* Loans discussed under explanatory notes (a) to (i) relate to loans with a local commercial bank that are subject to loan covenants starting this current fiscal year, which require the University to maintain a debt service coverage ratio of at least 1.2x and debt-to-equity ratio of not more than 2:1.

** Base interest rate is determined from the Philippine Dealing System Treasury Reference three-month bid yields for Philippine government securities.

(a) In May 2016, the University obtained a P800.0 million interest-bearing loan from a local commercial bank which was used for the University's general capital expenditure requirements, including acquisitions of business and general corporate funding requirements. The principal amount is payable over 21 quarterly payments to start after a two-year grace period from loan availment date. Initial interest payment was made in August 2016. Related interest amounting to P27.1 million, P21.1 million and P1.1 million was recognized for the periods ended May 31, 2018, 2017 and 2016, respectively. Unpaid interest as of May 31, 2018, 2017 and 2016 amounted to P1.4 million, P1.2 million and P1.0 million, respectively.

(b) In June 2015, the University availed of a credit line facility with another local commercial bank amounting to P1.0 billion, which will be used to finance the construction of a campus, including acquisition of land (see Note 14). The University's initial loan drawdown amounted to P680.0 million and is payable within seven years, with the first principal payment made in June 2017. The loan has an average interest rate of 4.3%, 3.2%, and 2.5% for the periods ended May 31, 2018, 2017 and 2016, respectively. Total borrowing costs capitalized as part of the cost of the investment properties for the two months ended May 31, 2016 amounted to P3.9 million. Effective June 1, 2016, the University ceased the capitalization of the related interest (see Note 14).

For the years ended May 31, 2018 and 2017, interest incurred amounted to P23.8 million and P18.2 million, respectively. Unpaid interest as of May 31, 2018, 2017 and 2016 amounted to P5.6 million, P4.8 million and P3.8 million, respectively.

(c) In April 2017, the University obtained a P200.0 million interest-bearing loan from a local commercial bank for general capital expenditure requirements, including the funding of acquisition of a business acquisition and general corporate funding requirements. The principal amount is payable over 21 quarterly payments starting June 2017, together with the initial interest payment. For the year ended May 31, 2018 and 2017, interest incurred on this loan amounted to P7.0 million and P1.2 million, respectively. Unpaid interest as of May 31, 2018 and 2017 amounted to P1.6 million and P1.2 million, respectively.

(d) In November 2016, the University obtained a P150.0 million interest-bearing loan from a local commercial bank for general capital expenditure requirements, including funding of a business acquisition and general corporate funding requirements. The principal amount is payable over 21 quarterly payments, with the first principal payment made in May 2018. Initial interest payments were made in February and May 2017. Related interest amounting to P5.1 million and P2.3 million was recognized for the year ended May 31, 2018 and 2017, respectively. Unpaid interest as of May 31, 2018 and 2017 amounted to P0.3 million and P0.2 million, respectively.

(e) In June 2017, the University obtained a P100.0 million interest-bearing loan from a local commercial bank for general capital expenditure requirements, including funding of a business acquisition and general corporate funding requirements. The principal amount is payable over 21 quarterly payments, with the first principal payment made in September 2018. Initial interest payments were also made in the same month. Related interest amounting to P3.6 million was recognized for the year ended May 31, 2018. Unpaid interest as of May 31, 2018 amounted to P0.9 million.

(f) In May 2017, the University obtained a P50.0 million interest-bearing loan from a local commercial bank for general capital expenditure requirements, including funding of a business acquisition and general corporate funding requirements. The principal amount is payable upon maturity in January 2018.

In January 2018, this loan was refinanced and was supposed to mature in April 2018, but was further extended until July 2018. Related interest amounting to P1.8 million and P0.1 million was recognized in 2018 and 2017, respectively. Unpaid interest as of May 31, 2018 and 2017 amounted to P0.02 million and P0.09 million, respectively.

(g) In August 2017, the University obtained a P200.0 million interest-bearing loan from a local commercial bank to fund the University's certain strategic investments and for general corporate funding requirements. The principal amount is payable on maturity in January 2018, while interest payments are made monthly.

In January 2018, this loan was refinanced and was supposed to mature in April 2018, but was further extended until July 2018. Interest rate increased from 3.50% to 3.75% for the extension period. Related interest amounting to P5.7 million was recognized in 2018. Unpaid interest as of May 31, 2018 amounted to P0.06 million.

(h) In October 2017, the University obtained a P175.0 million interest-bearing loan from a local commercial bank to fund certain investments and for general working capital requirements. The principal amount is payable on maturity in January 2018, while interest payments are made monthly.

In January 2018, this loan was refinanced and was supposed to mature in April 2018, but was further extended until July 2018. Interest rate increased from 3.50% to 3.75% for the extension period. Related interest amounting to P4.1 million was recognized in 2018. Unpaid interest as of May 31, 2018 amounted to P0.1 million.

(i) In December 2017, the University obtained a P60.0 million interest-bearing loan from a local commercial bank for additional working capital. The principal amount is payable on maturity in March 2018, while interest payments are made monthly. The loan does not have any significant or restrictive covenants. Related interest amounting to P0.6 million was recognized for the year ended May 31, 2018.

In March 2018, the local commercial bank and the University agreed on the extension of the term of the loan with its new maturity on June 2018. Interest rate is increased from 3.75% to 4.0% for the extension period. Related interest amounting to P1.1 million was recognized for the year ended May 31, 2018. Unpaid interest as of May 31, 2018 amounted to P0.2 million.

(j) In March 2018, the University obtained an P80.0 million interest-bearing loan from a local commercial bank for additional working capital. The principal amount is payable on maturity in June 2018, while interest payments are made monthly. The loan does not have any significant or restrictive covenants. Related interest incurred amounted to P0.6 million for the year ended May 31, 2018. Unpaid interest as of May 31, 2018 amounted to P0.1 million.

(k) In April 2018, the University obtained a P100.0 million interest-bearing loan from a local commercial bank for additional working capital. The principal amount is payable on maturity in July 2018, while interest payments are made monthly. The loan does not have any significant or restrictive covenants. Related interest amounting to P0.5 million was recognized for the year ended May 31, 2018. Unpaid interest as of May 31, 2018 amounted to P0.08 million.

(l) In May 2018, RCI obtained an P80.0 million interest-bearing loan from a local commercial bank due on August 28, 2018 with an interest rate of 4.0% per annum.

(m) In April 2018, RCI signed a promissory note with a local commercial bank in which RCI availed a P70.0 million unsecured term loan due on July 12, 2018 with an interest rate of 4.0% per annum. This loan was availed as a drawdown from FEU's existing credit line [See Note 18(b)]. Related interest incurred amounted to P2.7 million for the year ended May 31, 2018.

(n) In May 2011, RCI signed a financing agreement with a local development bank in which RCI availed of a P25.0 million loan secured by a mortgage involving certain portion of its land situated in Montalban, Rizal (see Note 14). The proceeds of the loan were used to fund RCI's day-to-day operations. The loan is payable in seven years with a grace period of one year, divided into 24 consecutive quarterly payments. Interest is payable every quarter with an interest rate of 5.5% per annum. As at May 31, 2016, the balance of the loan amounted to P8.3 million. In 2017, the loan was fully settled prior to its maturity.

(o) In December 2013, RCI signed a promissory note with a local commercial bank in which RCI availed of a P4.0 million secured loan by a mortgage involving certain portion of its land situated in Marikina (see Note 14). The proceeds of the loan were used by RCI for its working capital. The loan is renewable every six months and bears an interest of 11% per annum. The loan was paid in full in June 2016.

(p) On August 16, 2016, the University's BOT approved the acceptance of a credit line facility of up to P3.0 billion from another local bank. As of May 31, 2018 and 2017, the University has not made any drawdown from the facility yet. Any loans to be drawn from the facility will be unsecured.

The total interest incurred by the Group on all of these loans are presented as part of Interest expense under Finance Costs in the consolidated statements of profit or loss (see Note 21.2), while any outstanding interest payable is recognized as part of Accrued expenses under Trade and Other Payables in the consolidated statements of financial position (see Note 17).

The portion of finance costs for 2018, 2017 and 2016 that were capitalized is included as part of additions to Construction in progress under Property and Equipment account in the consolidated statements of financial position (see Note 15).

As of May 31, 2016, certain portion of RCI's land was used as collateral for its outstanding loans (see Note 14). In 2017, these properties were released from the collateral as the related loans were fully paid. As of May 31, 2018 and 2017, there are no assets used and/or required as collaterals for the Group's interest bearing loans and borrowings.

As of May 31, 2018, 2017 and 2016, the Group has complied with its loan covenants.

19. EDUCATIONAL REVENUES

Details of net tuition and other school fees presented in the consolidated statements of profit or loss are as follows:

	2018 (One Year)	2017 (One Year)	2016 (Two Months)
Tuition fees	**P 2,582,521,522**	P 2,885,610,876	P 119,849,057
Less discounts:			
Scholarship	**122,714,158**	148,599,507	6,397,545
Cash	**17,819,823**	14,841,127	298,343
Family	**12,660,880**	11,921,561	255,424
	153,194,861	175,362,195	6,951,312
	2,429,326,661	2,710,248,681	112,897,745
Other school fees:			
Senior high school miscellaneous fees	**65,646,275**	30,316,200	-
Developmental fees	**33,571,200**	5,868,000	-
Graduation and commencement fees	**11,171,702**	7,307,179	3,211,894
Entrance fees	**10,757,103**	6,210,812	578,290
Transcript fees	**9,720,984**	7,466,389	1,447,821
Identification cards	**7,520,149**	6,581,011	72,795
Diplomas	**5,336,548**	2,948,640	296,877
Certification fees	**5,298,399**	4,081,263	583,473
Other registration fees	**2,276,586**	2,839,972	-
Miscellaneous	**39,555,590**	32,962,924	3,107,166
	190,854,536	106,582,390	9,298,316
	P 2,620,181,197	P 2,816,831,071	P 122,196,061

For periods ended May 31, 2017 and 2016, the Group, except FRC, collected tuition fees from students for summer classes of the respective academic years which started after the reporting period. Such collections amounted to P75.2 million and P116.3 million as of May 31, 2017 and 2016, respectively. For the year ended May 31, 2018, the Group, expect FRC, has collected advance tuition fee payments from students who enrolled for the next academic year which amounted to P176.9 million. These collections are presented as Deferred Revenues in the consolidated statements of financial position. These are recognized as revenue in the following period upon completion of academic class instruction.

20. COSTS AND OPERATING EXPENSES

Costs and operating expenses consist of:

	Notes		**2018 (One Year)**		2017 (One Year)		2016 (Two Months)
Instructional and Academic							
Salaries and allowances	24.6	**P**	**785,462,987**	P	739,542,234	P	131,168,699
Employee benefits	22, 24.6		**194,065,408**		215,222,046		30,929,349
Related learning experience			**12,142,702**		3,948,261		7,280
Affiliation			**2,464,668**		2,814,342		122,600
Others			**134,055,151**		114,350,193		11,627,280
			1,128,190,916		1,075,877,076		173,855,208
Administrative							
Salaries and allowances	24.6		**141,478,879**		138,077,125		19,990,538
Employee benefits	24.6		**55,877,881**		66,449,238		14,491,862
BOT bonus			**14,000,000**		14,000,000		135,771
Rental			**12,309,895**		5,687,596		3,149,005
Others			**46,929,642**		42,122,020		10,638,577
			270,596,297		266,335,979		48,405,753
Maintenance and University Operations							
Utilities			**114,058,792**		121,191,367		10,868,178
Janitorial services			**43,435,352**		36,654,197		4,923,652
Repairs and maintenance			**30,418,369**		31,183,572		1,948,284
Salaries and allowances			**19,158,459**		18,769,878		3,039,195
Employee benefits	22		**9,390,296**		10,701,224		893,734
Property insurance	15.1		**6,420,929**		4,398,964		22,526
			222,882,197		222,899,202		21,695,569
General							
Depreciation and amortization	14, 15.1		**306,332,605**		302,109,262		44,988,574
Professional fees			**74,961,282**		75,582,060		10,715,914
Impairment losses	9, 14		**59,723,709**		54,733,116		2,021,883
Security services			**40,958,196**		37,869,221		6,318,308
Taxes and licenses	15.1		**20,560,591**		20,589,814		4,403,162
Publicity and promotions			**18,250,831**		13,746,941		353,676
Reversal of accrual	24.3(a)		**-**		-		6,962,451
Others			**39,839,492**		25,825,294		33,736,095
			560,626,706		530,455,708		109,500,063
		P	**2,182,296,116**	P	2,095,567,965	P	353,456,593

Other instructional and academic expenses include publication, printing, binding, donations, membership fees and others.

Other administrative expenses pertain mainly to expenses incurred for outsourced services, representation, expenses for seminars and conferences, insurance, various supplies, fuels, repairs and maintenance and others.

Other general expenses pertain to trustees' and officers' liability insurance, books and other subscriptions, and software costs.

21. FINANCE INCOME AND FINANCE COSTS

21.1 Finance Income

This consists of the following:

	Notes	**2018 (One Year)**	2017 (One Year)	2016 (Two Months)
Interest income from:				
AFS financial assets	11	**P 46,570,284**	P 48,792,410	P 7,552,139
HTM investments	11	**21,252,824**	24,171,098	-
Cash and cash equivalents	8	**19,704,944**	20,424,063	3,173,377
Short-term investments	16	**13,142,560**	11,274,953	3,229,123
Installment sales		**-**	657,943	-
		100,670,612	105,320,467	13,954,639
Other investment income from AFS financial assets and HTM investments	11	**55,830,535**	38,740,963	8,627,316
Foreign exchange gains - net		**36,992,246**	36,065,062	8,931,146
		P 193,493,393	P 180,126,492	P 31,513,101

Other investment income from AFS financial assets comprise collectively of dividend income and gain on sale of securities held by trustee banks.

21.2 Finance Costs

This account is broken down into the following:

	Notes	**2018 (One Year)**	2017 (One Year)	2016 (Two Months)
Interest expense	10, 18, 22(b)	**P 83,798,889**	P 46,753,278	P 2,738,708
Fair value loss on financial asset at FVTPL	10	**11,504,354**	16,618,386	3,539,700
Loss on write-off of interest receivables	9	**-**	24,479,730	-
Others		**71,041**	986,152	-
		P 95,374,284	P 88,837,546	P 6,278,408

22. EMPLOYEES' HEALTH, WELFARE AND RETIREMENT FUND

(a) Characteristics of the Defined Contribution and Defined Benefit Plans

(i) The University, FECSI and EACCI

The University, FECSI and EACCI maintain tax-qualified, funded and contributory retirement plans, which fall under a defined contribution type of retirement plan, covering regular teaching and non-teaching personnel members. The University, FECSI and EACCI's retirement plans were maintained since 1967, 2013 and 2017, respectively.

The retirement funds are under the administration of organizations, the FEU Health, Welfare and Retirement Fund, the FEU Cavite Health, Welfare and Retirement and Private Education Retirement Annuity Association (the Funds), through their respective Board of Governors.

Contributions to these funds are in accordance with the defined contribution established by the Retirement Board, which is the sum of the employees' and the University, FECSI and EACCI's contributions. Retirement expense presented as part of Employee benefits under Costs and Operating Expenses in the consolidated statements of profit or loss amounted to P82.0 million, P80.7 million and P17.0 million for the periods ended May 31, 2018, 2017 and 2016, respectively (see Note 20).

As a policy, any contributions made by the University, FECSI and EACCI in the past years that were subsequently forfeited resulting from resignations of covered employees prior to vesting of their retirement pay can be applied to reduce employer contributions in the succeeding years.

On April 18, 2017 and March 10, 2016, management approved the offering of Enhanced Retirement Gratuity Program (ERGP), to be implemented and paid in multiple batches, which covers eligible regular full-time faculty members and non-teaching rank-and-file and supervisory personnel. This program can be availed by all qualified and interested employees.

(ii) RCI

RCI has not yet established a formal post-employment plan. However, it accrues the estimated cost of post-employment benefits, actuarially determined, required by the provisions of RA No. 7641, which is an unfunded and non-contributory post-employment defined benefit plan covering all regular full-time employees. Under RA No. 7641, RCI is required to provide minimum post-employment benefits to qualified employees. RA No. 7641, does not, however, require it to be funded.

(b) Explanation of Amounts Disclosed in the Consolidated Financial Statements

Actuarial valuations are obtained: (i) to determine the higher of the defined benefit obligation relating to the minimum guarantee and the obligation arising from the defined contribution plan (for FEU, FECSI and EACCI); and, (ii) to update the retirement benefit costs and the amount of contributions (for RCI). All amounts presented below are based on the actuarial valuation reports obtained from an independent actuary for the periods ended May 31, 2018 and 2017 (for FEU, FECSI, EACCI and RCI), May 31, 2016 (for RCI) and March 31, 2016 (for FEU and FECSI).

The post-employment benefit obligation amounting to P46.1 million and P59.8 million and P64.7 million as of May 31, 2018, 2017 and 2016, respectively, pertains to RCI and EACCI's defined benefit liability, which is presented under non-current liabilities in the consolidated statements of financial position.

Movements in the present value of the post-employment benefit obligation are as follows:

	2018	2017	2016
Balance at beginning of period	**P 59,800,703**	P 64,710,710	P 68,682,871
Gain on curtailment	**(12,259,787)**	-	-
Current service cost	**3,629,981**	2,740,215	2,962,662
Interest expense	**3,151,497**	3,080,230	3,076,993
Benefits paid	**-**	(3,749,888)	(6,025,519)
Remeasurements – actuarial gain arising from:			
Experience adjustments	**(5,808,052)**	(4,655,453)	(2,613,256)
Changes in financial assumptions	**(2,375,710)**	(2,325,111)	(1,373,041)
Balance at end of period	**P 46,138,632**	P 59,800,703	P 64,710,710

The components of amounts recognized in profit or loss (as part of Employee benefits under Cost and Operating Expenses) and in other comprehensive income in respect of the post-employment defined benefit plan is shown below.

	2018 (One Year)	2017 (One Year)	2016 (Two Months)
Reported in profit or loss:			
Gain on curtailment	**(P 12,259,787)**	P -	P -
Current service cost	**3,629,981**	2,740,215	2,962,662
Interest expense	**3,151,497**	3,080,230	3,076,993
	(P 5,478,309)	P 5,820,445	P 6,039,655
Reported in other comprehensive income:			
Actuarial gains from:			
Experience adjustments	**P 5,808,052**	P 4,655,453	P -
Changes in financial assumptions	**2,375,710**	2,325,111	-
	P 8,183,762	P 6,980,564	P -

In determining the amounts of post-employment obligation in accordance with PAS 19 (Revised), the following significant actuarial assumptions were used:

	2018	2017	2016
FEU, FECSI and EACCI			
Discount rates	**6.54% - 7.27%**	5.03% - 5.17%	5.02% - 5.23%
Salary growth rate	**2.00% - 3.00%**	2.00% - 5.00%	2.00% - 5.00%
RCI			
Discount rates	**6.99%**	5.27%	4.48%
Salary growth rate	**5.00%**	4.00%	4.00%

Assumptions regarding future mortality experience are based on published statistics and mortality tables. The average remaining working lives of an individual retiring at the following ages are as follows:

FEU (at age 60)	-	14 years for males and 14 years for females
FECSI (at age 60)	-	20 years for males and 20 years for females
EACCI (at age 60)	-	38 years for males and 38 years for females
RCI (at age 60)	-	15 years for males and 18 years for females

These assumptions were developed by management with the assistance of an independent actuary. Discount factor is determined close to the end of the reporting period by reference to the interest rates of a zero coupon government bond with terms to maturity approximating to the terms of the post-employment obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

As discussed in Note 2.17, the defined contribution plans of FEU, FECSI and EACCI are also accounted for as a defined benefit plan with minimum guarantee starting in 2014 upon the University's adoption of the PIC Interpretation on PAS 19 (Revised). However, considering that the present value of the obligation as determined by an independent actuary approximates the fair value of the plan assets, management opted not to recognize further the unfunded portion of the obligation which is considered insignificant as shown in the analysis below.

An analysis of the defined benefit obligation of FEU, FECSI and EACCI following PIC Interpretation with respect to the defined benefit minimum guarantee under RA No. 7641 is presented below.

	2018	2017	2016
Fair value of plan assets	**P 756,979,018**	P 632,111,250	P 617,372,417
Present value of obligation	**(751,398,293)**	(626,911,736)	(620,644,200)
Over- (under-) funding	**P 5,580,725**	P 5,199,514	(P 3,271,783)

The movements in the present value of the retirement benefit obligation recognized in the books are as follows:

	2018	2017	2016
Balance at beginning of period	**P 626,911,736**	P 620,644,200	P 725,192,331
Current service cost	**67,749,774**	36,896,546	31,596,242
Interest expense	**43,357,419**	32,088,264	36,405,485
Benefits paid	**(52,101,693)**	(140,289,762)	(284,536,264)
Actuarial loss	**65,481,057**	77,572,488	111,986,406
Balance at end of period	**P 751,398,293**	P 626,911,736	P 620,644,200

The movements in the fair value of plan assets are presented below.

	2018	2017	2016
Balance at beginning of period	**P 632,111,250**	P 617,372,417	P 720,902,980
Interest income	**56,528,153**	53,167,745	37,321
Actual contributions	**120,654,579**	101,869,972	150,327,530
Benefits paid	**(52,314,964)**	(140,298,884)	(284,346,846)
Expected return	**-**	-	30,451,432
Balance at end of period	**P 756,979,018**	P 632,111,250	P 617,372,417

For FEU and FECSI, there was no significant change in assumptions for the two months ended May 31, 2016; hence, the defined benefit obligation of these entities approximates the balance as of March 31, 2016.

(c) *Risks Associated with the Retirement Plan*

The plan exposes the University, FECSI and EACCI to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk, while RCI is exposed to interest rate, longevity and salary risks.

(i) Investment and Interest Risks

The present value of the defined benefit obligation is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a reference government bonds will increase the plan obligation. However, this will be partially offset by an increase in the return on the plan's investments in debt securities and if the return on plan asset falls below this rate, it will create a deficit in the plan. Currently, the plan has relatively balanced investment in cash and cash equivalents, equity securities and debt securities. Due to the long-term nature of the plan obligation, a level of continuing equity investments is an appropriate element of the Group's long-term strategy to manage the plan efficiently.

Currently, the University's plan is significantly composed of equity securities and debt securities. Due to the long-term nature of the plan obligation, a level of continuing equity investments is an appropriate element of the University's long-term strategy to manage the plans efficiently. FECSI, on the other hand, has investments in cash and cash equivalents and loans.

(ii) Longevity and Salary Risks

The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the plan participants both during and after their employment, and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

(d) Other Information

The information on the sensitivity analysis for certain significant actuarial assumptions, the asset-liability matching strategy of the University, FECSI and EACCI, and the timing and uncertainty of future cash flows related to the retirement plan are described below and in the succeeding pages.

(i) Sensitivity Analysis

The following table summarizes the effects of changes in the significant actuarial assumptions used in the determination of the defined benefit obligation as of:

	Impact on Post-employment Benefit Obligation		
	Change in Assumption	Increase/ (Decrease) in Assumption	Increase/ (Decrease) in Assumption
May 31, 2018			
RCI:			
Discount rate	+/-0.5%	(P 1,514,042)	P 1,418,705
Salary growth rate	+/-1.0%	2,959,682	(2,647,790)
University:			
Discount rate	+/-0.5%	(P 48,160)	P 56,881
Salary growth rate	+/-1.0%	145,749	(82,791)
FECSI:			
Discount rate	+/-1.0%	(P 203,026)	P 241,685
Salary growth rate	+/-1.0%	228,849	(194,952)
EACCI:			
Discount rate	+/-0.5%	(P 64,777)	P 78,989
Salary growth rate	+/- 7.0%	167,764	(1,948,882)
May 31, 2017			
RCI:			
Discount rate	+/-0.5%	(P 2,128,573)	P 2,277,923
Salary growth rate	+/-1.0%	4,442,029	(3,957,515)
University:			
Discount rate	+/- 0.5%	(P 143,413)	P 173,092
Salary growth rate	+/- 1.0%	392,986	(227,800)
FECSI:			
Discount rate	+/- 1.0%	(P 215,290)	P 260,333
Salary growth rate	+/- 1.0%	244,693	(206,206)
EACCI:			
Discount rate	+/- 0.05%	(P 1,393,576)	P 1,932,355
Salary growth rate	+ 2.0 %/- 1.0%	10,012,196	(2,363,661)

	Impact on Post-employment Benefit Obligation		
	Change in Assumption	Increase/ (Decrease) in Assumption	Increase/ (Decrease) in Assumption
May 31, 2016			
RCI:			
Discount rate	+/- 5.0%	(P 2,327,663)	P 2,489,009
Salary growth rate	+/- 1.0%	4,867,823	(4,318,781)

The sensitivity analysis above is based on a change in an assumption while holding all other assumptions constant. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognized in the consolidated statements of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

(ii) Asset-liability Matching Strategies

To efficiently manage the retirement plan, the University through its Retirement Board, ensures that the investment positions are managed in accordance with its asset-liability matching strategy to achieve that long-term investments are in line with the obligations under the retirement scheme. This strategy aims to match the plan assets to the retirement obligations by investing in long-term fixed interest securities (i.e., government or corporate bonds) with maturities that match the benefit payments as they fall due and in the appropriate currency. The University actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the retirement obligations.

In view of this, investments are made in reasonably diversified portfolio, such that the failure of any single investment would not have a material impact on the overall level of assets.

There has been no change in the University's strategies to manage its risks from previous periods.

Currently, EACCI and FECSI have no specific matching strategy between the plan assets and the plan liabilities.

(iii) Funding Arrangements and Expected Contributions

While there is no minimum funding requirement in the country for defined benefit plans, the size of the fund, bearing that it is significantly under a defined contribution regime, is also sufficient to cover the vested benefits of the higher between the RA No. 7641 or the Group's retirement plan itself, when a significant number of employees are expected to retire in 13 to 20 years' time.

The University and EACCI expect to make contribution of P72.2 million and P2.5 million, respectively, to their plans during the next reporting period; FECSI does not expect to make contributions to its plan during the next reporting period; while, RCI's management is yet to determine when it shall establish a formal plan to fund its post-employment benefit obligation.

The maturity profile of RCI's undiscounted expected benefit payments from the plan as of May 31 is as follows:

		2018		2017		2016
Within one year	P	12,374,536	P	12,795,781	P	13,413,977
More than one year to five years		15,843,602		19,806,814		19,415,126
More than five years to 10 years		37,605,296		45,933,146		40,401,969
More than 10 years to 15 years		26,393,563		35,039,845		43,965,111
More than 15 years to 20 years		32,395,065		39,432,879		28,525,864
More than 20 years		164,604,710		132,776,132		96,613,621
	P	289,216,772	P	285,784,597	P	242,335,668

The weighted average duration of RCI's defined benefit obligation at the end of the reporting period is 15 years.

The latest available audited statements of financial position of the University's Fund, which comprised of both employer and employee share contributions, show the following as of December 31:

	2017	2016
Assets		
Cash and cash equivalents	P 29,628,252	P 61,546,204
Receivables - net	47,623,046	49,445,707
Investment in debt securities:		
Corporate bonds and other debt instruments	290,708,947	306,961,487
Government securities	117,339,580	133,933,153
Investment in equity securities:		
Equity securities	367,638,346	234,275,091
UITF	81,764,716	73,402,231
Mutual funds	12,731,282	10,176,639
Investment in long term certificate of deposits	-	4,442,956
Others	124,147	53,511
	947,558,316	874,236,979
Liabilities	(23,228,158)	(9,802,728)
Net Assets Available for Plan Benefits	P 924,330,158	P 864,434,251

Below is the breakdown of the employer's share in the University's Fund's net plan assets as to type of investments as of May 31, 2018, 2017 and 2016. These financial assets are maintained in trust funds under credible trustee-banks under control by the Fund through its Board of Governors.

	2018	2017	2016
Cash and cash equivalents	**P 31,817,317**	P 3,438,512	P 11,487,179
Domestic listed shares	**275,433,328**	226,279,606	230,950,399
Corporate bonds	**118,586,342**	131,744,950	174,549,311
Government bonds	**68,897,219**	98,575,757	144,107,932
Other securities and debt instruments	**117,604,442**	103,216,518	101,915,926
UITF	**69,824,910**	36,468,583	18,964,794
Fixed income loans	**4,669,573**	4,109,107	4,839,023
Others	**23,009,282**	27,078,243	10,848,500
	P 709,842,413	P 630,911,276	P 697,663,064

The breakdown of the Fund's net plan assets, as shown above, is presented to show the composition of the plan assets used by the actuary in determining the net retirement obligation based on the minimum guarantee under RA 7641 as of May 31, 2018, 2017 and 2016. Moreover, no actuarial valuation report was obtained for the two months ended May 31, 2016, hence, the employer's share in the Fund's net plan assets presented in the above table pertains to actual fair value of the plan assets as of May 31, 2016.

23. INCOME TAXES

Under Philippine laws, the taxable income from operations related to school activities and passive investment income of private and proprietary (stock) educational institutions is subject to a tax of 10%. However, if 50% or more of the institution's total gross income is from unrelated business activities, the regular corporate income tax (RCIT) of 30% will apply to the entire taxable income instead of the 10% preferential rate. The University, FECSI, EACCI, FEU High and RCI are qualified to avail of the 10% preferential rate given their revenue profiles. In addition, they are not covered by the minimum corporate income tax (MCIT) provision of the 1997 Tax Code.

The major components of tax expense (income) reported in the consolidated statements of profit or loss are as follows:

	2018 (One Year)	2017 (One Year)	2016 (Two Months)
Current tax expense:			
Special rate at 10%	**P 43,116,509**	P 56,257,962	P 2,445,108
Final tax at 20% and 7.5%	**20,766,238**	19,210,908	3,646,805
RCIT at 30%	**20,153,746**	22,481,125	-
	84,036,493	97,949,995	6,091,913
Deferred tax expense (income) arising from the origination and reversal of temporary differences	**8,473,351**	23,332,802	(21,630,610)
	P 92,509,844	P 121,282,797	(P 15,538,697)

A reconciliation of tax on pretax profit (loss) computed at the applicable statutory rates to tax expense (income) reported in consolidated profit or loss is presented below:

	2018 (One Year)	2017 (One Year)	2016 (Two Months)
Tax on pretax profit (loss)	**P 64,014,086**	P 92,773,511	(P 18,210,062)
Adjustments for income subjected to:			
RCIT	**27,066,613**	22,684,666	1,202,974
Final tax	**8,498,906**	9,224,126	1,823,145
	99,579,605	124,682,303	(15,183,943)
Tax effects of:			
Excess of optional standard deduction (OSD) over itemized deductions	**(5,640,511)**	(5,847,240)	-
Unrecognized NOLCO	**7,103,922**	4,697,698	92,648
Unrecognized deferred tax asset (DTA) on allowance for impairment	**130,948**	706,100	30,702
Unrecognized MCIT	**10,143**	-	-
Non-deductible expenses	**-**	199,993	-
Recognition of previously unrecognized DTA	**-**	(190,024)	-
Others	**(8,674,263)**	(2,966,033)	(478,104)
	P 92,509,844	P 121,282,797	(P 15,538,697)

The net deferred tax assets and net deferred tax liabilities of the Group, as of May 31, 2018, 2017 and 2016, relates to the following:

	Consolidated Statements of					
	Financial Position			Profit or Loss		
	2018	2017	2016	**2018 (One Year)**	2017 (One Year)	2016 (Two Months)
Deferred tax assets:						
Accrued rent expense	**P 7,236,133**	P 5,857,984	P 3,231,111	**(P 1,378,150)**	(P 2,626,873)	(P 524,393)
Post-employment benefit	**6,531,592**	6,471,071	90,107	**495,283**	90,107	-
Allowance for impairment losses on trade and other receivables – net	**4,129,024**	4,255,737	4,928,006	**126,714**	672,269	(171,485)
Unrealized fair value gains (losses)	**3,825,531**	3,336,546	2,043,208	**(488,985)**	(1,293,338)	(265,022)
Prepaid rent expense	**(3,170,308)**	-	-	**1,510,323**	-	-
Unrealized foreign currency gains (losses)	**(1,510,323)**	(2,936,215)	(869,751)	**234,093**	2,066,464	(859,391)
Unearned rental income	**733,222**	2,926,748	829,169	**-**	(2,097,579)	(106,747)
Accrued income	**360,506**	360,506	360,506	**-**	-	(621,849)
NOLCO	**-**	-	19,081,923	**-**	19,081,923	(19,081,923)
	18,135,377	20,272,377	29,694,279			
Deferred tax asset of newly-acquired subsidiary – Post-employment defined benefit obligation	**-**	-	6,471,071			
Deferred tax assets – net	**P 18,135,377**	P 20,272,377	P 36,165,350			
Deferred tax liabilities:						
Accrued rent receivable	**(P 17,285,426)**	(P 11,914,569)	(P 4,960,310)	**5,370,857**	8,755,066	(1,204,125)
Post-employment benefit	**(1,917,728)**	(491,001)	-	**608,328**	(207,055)	-
Unrealized foreign currency gains (losses)	**(913,005)**	-	-	**(999,802)**	-	-
Unearned rental income	**626,474**	3,621,164	675,175	**2,994,690**	(2,945,989)	1,204,125
Unrealized fair value gains on AFS financial assets	**-**	(1,912,807)	(75,000)	**-**	1,837,807	-
Deferred tax liabilities – net	**(P 19,489,685)**	(P 10,697,213)	(P 4,360,135)			
Deferred tax expense (income) – net				**P 8,473,351**	P 23,332,802	(P 21,630,610)

RCI's deferred tax expense amounting to P0.6 million and P0.7 million relates to the remeasurement of post-employment benefit plan during the year ended May 31, 2018 and 2017, respectively, and is recognized as a component of tax income reported in the consolidated statement of comprehensive income. No similar transaction occurred during the period ended May 31, 2016 since RCI was acquired only in May 2016.

The net deferred tax assets of the University are not allowed to be offset against net deferred tax liabilities of other subsidiaries, or vice versa, for purposes of consolidation.

Presented below are the details of the Group's NOLCO.

Period Incurred	Original Amount	Expired Balance in 2018	NOLCO Applied in Previous Year	Remaining Balance	Valid Until
May 31, 2018	P 41,529,740	P -	P -	P 41,529,740	2021
May 31, 2017	25,468,716	-	-	25,468,716	2020
May 31, 2016	213,054,710	-	190,819,227	22,235,483	2019
March 31, 2016	2,268,106	-	1,563,485	704,621	2019
	P 282,321,272	**P -**	**P 192,382,712**	**P 89,938,560**	

In 2016, FEU and FEUHS claimed as deduction against their taxable income their available NOLCO incurred in previous years amounting to P190,819,227 and P1,563,485, respectively.

The companies within the Group that were not entitled to avail of the preferential rate of 10% is subject to MCIT, which is computed at 2% of gross income as defined under the tax regulations, or RCIT, whichever is higher.

The total unrecognized deferred tax assets and related sources as of the reporting dates are presented below.

	2018		2017		2016	
	Tax Base	**Tax Effect**	Tax Base	Tax Effect	Tax Base	Tax Effect
FEUAI –						
NOLCO	**P 26,213,495**	**P 7,864,049**	P 11,458,755	P 3,437,627	P 704,621	P 211,386
MCIT	**507,161**	**507,161**	-	-	-	-
FEU High –						
NOLCO	**P -**	**P -**	P -	P -	P 1,900,246	P 190,025
RCI:						
NOLCO	**P 63,725,065**	**P 6,372,507**	P 36,950,065	P 3,695,007	P22,235,483	P 2,223,548
Allowance for impairment	**15,270,692**	**1,527,069**	13,961,213	1,396,121	7,801,283	780,128
FECSI:						
Allowance for impairment	**P -**	**P -**	P 901,070	P 90,107	P -	P -

No deferred tax assets were recognized by certain subsidiaries since management of the respective subsidiaries believes that no sufficient taxable profit will be realized against which deferred tax assets can be applied within the prescriptive period.

24. RELATED PARTY TRANSACTIONS

The Group's related parties include related parties under common management, key management personnel and others as described in Note 2.20. The following are the Group's transactions with such related parties:

		2018		2017		2016			
	Note	**Amount of Transaction (One Year)**	**Outstanding Receivable (Payable)**	Amount of Transaction One Year)	Outstanding Receivable (Payable)	Amount of Transaction (Two Months)	Outstanding Receivable (Payable)	Terms	Conditions
Related Parties Under Common Management:									
Subscription of preferred stocks	24.1	**P -**	**P -**	P416,500,000	P -	P -	P -	nonredeemable; non-controlling	not applicable
Advances to related parties	24.2(a), 24.2(b), 24.2(c)	**16,756,062**	**48,069,715**	6,832,457	31,313,653	(3,012,589)	24,481,196	due and demandable; noninterest-bearing	unsecured; not impaired unsecured; not impaired
Reimbursement of expenses	24.9	**(4,302,990)**	**4,892,015**	1,300,891	9,195,005	952,450	7,894,114	due and demandable;	unsecured; not impaired
Rental income	24.4	**20,823,538**	**11,358,633**	21,817,203	10,302,738	6,668,707	21,117,891	payable within 30 days; noninterest-bearing	unsecured; not impaired
Advances from related party	24.2(b)	**(2,019,088)**	**(6,343,848)**	7,558,327	(4,324,760)	(43,633)	(11,883,087)	due and demandable; noninterest-bearing	unsecured; not impaired
Rental deposits	24.4	**-**	**-**	-	-	3,783,819	(4,008,683)	not applicable	not applicable
Management fees	24.3	**-**	**-**	-	-	-	7,996,500	payable within 30 days; noninterest-bearing	unsecured; not impaired
Others	24.10	**110,014**	**(1,452,500)**	(95,264)	(1,562,514)	-	(1,467,250)	due and demandable; noninterest-bearing	unsecured; impaired

Forward

	Note	**2018** Amount of Transaction (One Year)	**2018** Outstanding Receivable (Payable)	2017 Amounts of Transaction (One Year)	2017 Outstanding Receivable (Payable)	2016 Amount of Transaction (Two Months)	2016 Outstanding Receivable (Payable)	Terms	Conditions
Retirement Funds:	24.5								
Retirement plan assets		**P -**	**P 756,979,018**	P -	P 632,111,250	P -	P617,372,417	not applicable	not applicable
Reimbursement of fund		**-**	**-**	-	995,779	-	29,425,493	due and demandable; noninterest-bearing	unsecured; not-impaired
Others –									
Key management personnel compensation	24.6	**235,796,087**	**-**	213,277,760	-	25,239,938	-	not applicable	not applicable
Advances from previous BOT of RCI	24.7	**-**	**-**	16,508,793	-	3,008,793	(16,508,793)	due and demandable; interest-bearing	unsecured; not impaired

24.1 Subscription of Preferred Shares of Stock of EACCI

In 2015, EAEF, a related party under common management, entered into a subscription agreement for the purchase of 240,000 preferred shares of EACCI [see Note 25.4(b)]. The total consideration paid by EAEF amounted to P240.0 million. There was no outstanding receivable arising from the transaction as the amount was fully paid by EAEF in the year of subscription.

During the year ended May 31, 2017, EAEF also entered into a subscription agreement for the purchase of 416,500 preferred shares of FEUAI [see Note 25.4(b)]. The total consideration paid by EAEF amounted to P416.5 million. There was no outstanding receivable arising from the transaction as the amount was fully paid by EAEF in the year of subscription. No similar transaction occurred during the period ended May 31, 2016.

24.2 Noninterest-bearing Advances

(a) Advances of the University to a Related Party

The University grants unsecured and noninterest-bearing advances, which are due and demandable to FEU Public Policy Foundation, Inc., related party under common management of the Group for working capital purposes.

Summarized below are the outstanding receivables from these advances as of May 31, 2018, 2017 and 2016 recorded as part of Non-trade advances from related parties under Trade and Other Receivables account in the consolidated statements of financial position (see Note 9):

	2018	2017	2016
Balance at beginning of year	**P 1,636,729**	P 1,199,289	P 1,199,289
Additional advances during the year	**3,146,663**	437,440	-
Repayments during the year	**(1,199,290)**	-	-
Balance at end of year	**P 3,584,102**	P 1,636,729	P 1,199,289

As of May 31, 2018, 2017 and 2016, management believes that these outstanding balances are collectible in full in all the years presented; thus, no allowance for impairment on these receivables are recognized.

(b) Advances between EACCI and EAEF

During the periods ended May 31, 2018, 2017 and 2016, EACCI granted to and obtained from EAEF cash advances for working capital requirements and other purposes. These advances are non interest-bearing, unsecured and payable in cash upon demand. As of May 31, 2018, 2017 and 2016, outstanding advances to EAEF amounting to P42.5 million, P26.6 million and P20.7 million, respectively, are presented as part of Non-trade advances to related parties under the Trade and Other Receivables account, while the outstanding advances from EAEF amounting to P6.3 million, P4.3 million and P11.9 million, respectively, are presented as Advances from related parties under the Trade and Other Payables account in the consolidated statements of financial position (see Notes 9 and 17). No impairment loss is recognized by the Group on these advances.

(c) Advances of RCI to its Related Party

RCI grants noninterest-bearing and unsecured advances to Roosevelt College Center for Teacher Education, a related party under common management, for working capital purposes. These advances are generally collectible in cash and are due upon demand or through offsetting arrangement. The outstanding balance from these transactions which amounts to P2.0 million, P3.0 million and P2.7 million as of May 31, 2018, 2017 and 2016, respectively, are presented as part of Non-trade advances to related parties under the Trade and Other Receivables account in the consolidated statements of financial position (see Note 9).

24.3 Management Services

The University provided management services to EAEF and FERN College, which agreed to pay management fee computed at a certain percentage of the latter's gross revenue subject to certain conditions. Management fees earned amounted to P20.4 million for the period ended March 31, 2016 and is presented as Management Fees under Revenues in the consolidated statements of profit or loss. No similar income was earned for the periods ended May 31, 2017 and 2016 as EACCI already took over the operations of EAEF during the said periods.

Outstanding receivables arising from this transaction amounted to P8.0 million and as of May 31, 2016 (nil as of May 31, 2017) and are presented as part of Management fee receivable under Trade and Other Receivables account in the consolidated statements of financial position (see Note 9). No impairment loss is recognized by the University on these receivables.

24.4 Leases

(a) Lease of Buildings to EAEF

The University leased out certain buildings to EAEF for a period of one to five years until May 31, 2015. Upon expiration of the term of the contract, the University and EAEF had mutually agreed not to renew such lease agreement. Instead, as of May 31, 2018, 2017 and 2016, only certain floors of the buildings were leased out to EAEF.

Total rental income earned by the University and EACCI from EAEF, presented as part of Rental under Revenues in the consolidated statements of profit or loss, amounted to P2.8 million and P6.7 million for the periods ended May 31, 2017 and 2016, respectively. Outstanding receivable arising from the transaction amounted to P2.9 million, P3.3 million and P17.0 million as of May 31, 2018, 2017 and 2016, respectively, and is presented as Rental receivable under Trade and Other Receivables account in the consolidated statement of financial position (see Note 9). There was no similar transaction in 2018 as EAEF has already transferred its students to EACCI through a memorandum of agreement in 2017.

Meanwhile, since the construction of the school building of EACCI was fully completed as of March 31, 2015, EAEF and EACCI entered into a contract to lease certain floors of EACCI's newly-constructed school building (see Note 15). The lease commenced on July 1, 2014 for a period of five years with 5% annual escalation. However, in May 2016, the lease agreement was pre-terminated. Accordingly, EACCI reversed the related accrued rent receivable arising from straight line recognition of lease amounting to P7.0 million and is recorded as part of General expenses under costs and Operating Expenses in the 2016 consolidated statement of profit or loss (see Note 20).

(b) Lease of Buildings to FERN College

FRC leased out certain buildings to FERN College effective from June 1, 2007 to May 31, 2017 for an annual rental of P14.0 million or 10% of gross annual revenue, whichever is higher. In January 2013, an amended lease agreement was executed by both parties which stated that the lease term shall now be from January 31, 2013 to December 31, 2023 for an annual rental fee of P12.0 million or 10% of FERN College's annual gross income, whichever is higher.

Total rental income of FRC from FERN College amounted to P19.4 million and P18.0 million for the years ended May 31, 2018 and 2017, which is recorded as part of Rental under Revenues in the consolidated statements of profit or loss. No similar income was earned during the two months ended May 31, 2016. Outstanding receivables from this transaction amount to P8.4 million, P7.0 million and P4.1 million as of May 31, 2018, 2017 and 2016, respectively, are presented as part of Rental receivable under the Trade and Other Receivables account in the consolidated statements of financial position (see Note 9). No impairment loss is recognized by the Group on this receivable from FERN College.

(c) Lease of Transportation Vehicle to FERN College

In 2012, FRC entered into a contract with FERN College for the lease of a bus to the latter for a fixed monthly rental of P0.1 million covering a term of five years.

The rental income earned from this transaction amounted to P1.4 million and P1.5 million for the years ended May 31, 2018 and 2017 and is presented as part of Rental under Revenues in the consolidated statements of profit or loss. No similar income was earned during the two months ended May 31, 2016. The Group recognized unearned rental income in accordance with PAS 17 from FERN College amounting to P0.1 million and P0.9 million as of May 31, 2017 and 2016 (nil in 2018), respectively, and are presented as part of the Deferred Revenues account in the consolidated statements of financial position.

(d) Rental Deposits

Outstanding rental deposits arose from the lease of building by EACCI to EAEF, which amounted to P4.0 million as of May 31, 2016. These deposits are presented as part of Other Non-Current Liabilities account in the consolidated statements of financial position.

24.5 Retirement Funds

The University's, FECSI's and EACCI's retirement funds are in the form of trustee-banks managed accounts. The fair value of the University's retirement plan assets amounted to P757.0 million, P632.1 million and P617.4 million as of May 31, 2018, 2017 and 2016, respectively [(see Note 22(b)]. The University, FECSI and EACCI have no transactions with the retirement plans other than contributions and benefit payments in all periods presented.

During the periods ended May 31, 2017 and 2016, the University funded the retirement pay of certain employees who availed of the ERGP [see Note 22(a)(i)], which will be reimbursed by the Fund. The outstanding receivable from this transaction amounted to P1.0 million and P29.4 million as of May 31, 2017 and 2016, respectively, and is recorded as part of Non-trade advances from related parties under Trade and Other Receivables account in the consolidated statements of financial position (see Note 9). No similar transaction occurred for the year ended May 31, 2018.

None of the retirement plan assets are invested in or provided to the University or FECSI, their related parties, and to their officers in the form of advances or loans.

The retirement funds neither provide any guarantee nor surety for any obligation of the University and FECSI.

24.6 Key Management Personnel Compensation

Total remunerations of the Group's key management personnel for the periods ended May 31, 2018, 2017 and 2016, which are presented as part of Instructional and academic and Administrative expenses under Costs and Operating Expenses in the consolidated statement of profit or loss (see Note 20), are as follows:

	2018 (One Year)	2017 (One Year)	2016 (Two Months)
Short-term benefits	**P 208,947,101**	P 188,323,195	P 21,511,998
Post-employment benefits	**26,848,986**	24,954,565	3,727,940
	P 235,796,087	P 213,277,760	P 25,239,938

24.7 Advances from RCI's BOT

RCI obtains unsecured, interest-bearing cash advances from the current members of its BOT, with an interest rate ranging from 8% to 12% per annum, for working capital purposes. These advances are generally collectible in cash and are due upon demand. The outstanding balance from this transaction amounted to P16.5 million as of May 31, 2016, and is presented as part of Other payables under the Trade and Other Payables account in the consolidated statement of financial position. The outstanding payable was settled in 2017.

24.8 Financial Guaranty for Subsidiaries' Loans

In March 2017, the BOT approved that for and in consideration of the loan or credit facilities obtained by any subsidiary of the University, in which the University owns at least 75% of the outstanding voting capital stock of such subsidiary, from a local commercial bank, the University gives its full consent and authority to act as surety for the subsidiary's obligations arising from any loan or availments from any credit facilities granted by the said local bank in favor of the subsidiary, as well as any renewals, increases, extensions of existing obligations obtained by or which may hereafter be obtained by the subsidiary from the local bank, whether direct or indirect, principal or secondary. In April 2018, RCI availed an unsecured term loan as a drawdown from the University's credit facility with the local bank (see Note 18).

24.9 Reimbursement of Expenses

During the periods ended May 31, 2017 and 2016 (nil in 2018), the University billed EAEF for related services such as security and janitorial services, light and water and other utilities at cost. Accordingly, the outstanding receivable amounting to P4.9 million, P9.2 million and P7.9 million as of May 31, 2018, 2017 and 2016, respectively, is presented as part of Non-trade advances to related parties under the Trade and Other Receivables account in the consolidated statements of financial position (see Note 9).

24.10 Others

Others include amounts due to non-controlling interest for to the unclaimed payments arising from the fractional shares, treated as treasury stocks in 2007 and 2015 by FRC. Outstanding payable to non-controlling interest amounted to P1.5 million as of May 31, 2018, 2017 and 2016, and is presented as part of Other payables to related parties under the Trade and Other Payables account in the consolidated statements of financial position (see Note 17).

25. EQUITY

25.1 Capital Stock

As of May 31, 2018, 2017 and 2016, the University has 20,000,000 shares of authorized capital stock, of which 16,425,387, 16,431,159 and 16,444,038 during the periods ended May 31, 2018, 2017 and 2016, respectively, were issued and outstanding, with par value of P100 per share.

On July 11, 1986, the SEC approved the listing of the University's common shares, its only listed securities, at an offer price of P100 per share. As of May 31, 2018, 2017 and 2016, there are 16,514,354 listed shares which include those held in treasury and shares held by the University's related parties. The University has a total of 10,970,623, 10,834,034 and 10,816,929 listed shares, which is equivalent to 66.58%, 65.75% and 65.64%, held by related parties as at May 31, 2018, 2017 and 2016, respectively, while there are 5,506,400, 5,642,989 and 5,660,754 listed shares owned by the public which is equivalent to 33.42%, 34.25% and 34.36% of the total outstanding shares as at May 31, 2018, 2017 and 2016, respectively.

As of May 31, 2018, 2017 and 2016, the closing price of the University's listed shares was P970 per share.

25.2 Treasury Stock

This account includes the University's common shares held and acquired by FRC in various dates during the periods ended May 31, 2018, 2017 and 2016, amounting to P47.0 million, P45.7 million and P34.8 million, respectively. The changes in market values of these shares, recognized as fair value gains or losses by FRC, were reclassified to treasury stocks, as presented in the consolidated statements of changes in equity. Accordingly, the Group's treasury stocks amounted to P63.3 million as at May 31, 2018, which consists of 88,967 shares, P49.4 million as at May 31, 2017, which consist of 83,195 shares, and P38.7 million as at May 31, 2016, which consist of 70,316 shares.

A portion of the University's retained earnings is restricted from dividend declaration up to the cost of treasury stocks, excluding the amount acquired and held by FRC as this is considered as a cross-holding as of the end of the reporting period.

25.3 Retained Earnings

Significant transactions affecting Retained Earnings, which, as indicated in Note 25.2, is also legally restricted at an amount equivalent to the cost of the University's treasury stock of P3.7 million, are as follows:

(a) Appropriation of Retained Earnings

As of May 31, 2018, 2017 and 2016, the University's Appropriated Retained Earnings consists of appropriations for:

	2018	2017	2016
Property and investment acquisition	**P 2,000,000,000**	P2,250,000,000	P2,250,000,000
Expansion of facilities	**324,800,000**	187,000,000	187,000,000
Contingencies	**240,000,000**	10,000,000	10,000,000
General retirement	**140,000,000**	90,000,000	90,000,000
Purchase of equipment and improvements	**135,200,000**	33,000,000	33,000,000
Treasury stock	**3,733,100**	3,733,100	3,733,100
	P 2,843,733,100	P2,573,733,100	P2,573,733,100

The changes in the appropriated retained earnings during the year ended May 31, 2018 are shown below.

Balance at beginning of year	P2,573,733,100
Appropriations	520,000,000
Reversal of appropriations	(250,000,000)
Balance at end of year	P 2,843,733,100

During the year ended May 31, 2018, the University made an additional appropriation, amounting to P520.0 million, for expansion of facilities, contingencies, general retirement and purchase of equipment and improvements. Such appropriation is expected to be realized within one year from the end of the reporting period. During the same year, the University reversed appropriations for property acquisition and investment amounting to P250 million as the purpose for which such appropriations were made had been completed.

No changes were made in the appropriated retained earnings during the periods ended May 31, 2017 and 2016.

(b) Dividend Declaration

The BOT approved the following dividend declarations during the periods ended:

	Date of				
	Declaration	**Record**	**Payment/Issuance**		**Amount**
May 31, 2018					
Cash dividend of P8 per share	September 19, 2017	October 4, 2017	October 18, 2017	P	131,408,216
Cash dividend of P8 per share	February 20, 2018	March 6, 2018	March 20, 2018		131,403,096
				P	**262,811,312**
May 31, 2017					
Cash dividend of P12 per share	June 21, 2016	July 5, 2016	July 19, 2016	P	197,328,456
Cash dividend of P12 per share	February 21, 2017	March 7, 2017	March 21, 2017		164,411,590
				P	361,740,046
March 31, 2016					
Cash dividend of P12 per share	June 16, 2015	June 30, 2015	July 14, 2015	P	197,388,456
Cash dividend of P12 per share	December 11, 2015	December 29, 2015	January 15, 2016		197,388,456
				P	394,776,912

Unclaimed checks related to dividends declared as of May 31, 2018, 2017 and 2016 are presented as Dividends payable under the Trade and Other Payables account in the consolidated statements of financial position (see Note 17). No dividends were declared for the two months ended May 31, 2016.

25.4 Subsidiaries with Material Non-controlling Interest

(a) FRC

The University holds 37.52% interest in FRC as of May 31, 2018, 2017 and 2016. Management considers that the University has de facto control over FRC even though it holds less than 50% of the voting shares of stock of FRC, because it is exposed or has right to variable returns through its power over FRC [(see Notes 1.1 and 3.1(c)].

A summary of financial information of FRC as of and for the periods ended May 31, 2018, 2017 and 2016 before intragroup eliminations are shown below (in thousands).

	2018	2017	2016
Total assets	**P 1,294,102,242**	P 1,244,093,284	P 1,155,343,891
Total liabilities	**38,380,399**	44,278,494	33,953,046
Total equity	**1,255,721,843**	1,199,814,790	1,121,390,845
Total revenue	**149,955,554**	148,274,464	137,887,418
Net profit for the year	**87,625,316**	92,137,346	94,230,895
Net cash from operating activities	**91,921,687**	32,883,776	108,596,478
Net cash used in investing activities	**(117,912,552)**	(45,975,679)	(41,845,052)
Net cash used in financing activities	**(23,584,107)**	(16,262,759)	(14,655,483)
	(P 49,574,972)	(P 29,354,662)	P 52,095,943

(b) EACCI and FEUAI

In 2015 and 2014, EACCI issued its newly authorized preferred shares to EAEF, a related party under common management. In 2018, EACCI issued additional authorized preferred shares to FERN, a related party under common management (see Note 24.1). Total cost of preferred shares issued and outstanding amounts to P1.1 billion and P1.0 billion as of May 31, 2018, and May 31 2017 and 2016, respectively.

In 2017, FEUAI also issued its newly authorized preferred shares to EAEF (see Note 24.1). Total cost of preferred shares issued and outstanding amounts to P416.5 million as of May 31, 2018 and 2017.

EACCI and FEUAI's preferred shares have the following features:

(a) Holders of the preferred stock have no pre-emptive right to subscribe to any or all issues or other disposition of shares of common stock or preferred stock of EACCI or FEUAI, including treasury stock, if any;

(b) Subject to availability of retained earnings and sufficient cash as may be determined by EACCI's BOT or FEUAI's BOD, holders of the preferred stock are entitled to receive, out of unrestricted retained earnings of the EACCI or FEUAI, non-cumulative dividends at the rate of 3% per annum based on the issue value of each share, payable annually on such date as may be determined by the EACCI's BOT or FEUAI's BOD from time to time;

(c) Preferred stock shall be non-voting (except in instances specifically provided by law) and non-participating as to the payment of dividends;

(d) Preferred stock may be redeemed at the option of the issuer regardless of existence of unrestricted retained earnings at an issue price equal to the issue value and under terms and conditions as determined by the EACCI's BOT or FEUAI's BOD; and,

(e) In the event of any voluntary or involuntary liquidation, dissolution, distribution of assets or winding up of EACCI or FEUAI's operations, the holders of preferred stock shall have preference and priority as to the net assets of EACCI or FEUAI or proceeds thereof over the holders of common stock.

During the years ended May 31, 2018 and 2017, the BOT of EACCI declared cash dividend to all of their stockholders. Accordingly, EAEF received P26.3 million and P25.0 million from each of the said declarations in 2018 and 2017, respectively. No dividends were declared during the two months ended May 31, 2016.

A summary of financial information of FEUAI as of and for the years ended May 31, 2018 and 2017, and of EACCI as of and for the periods ended May 31, 2018, 2017 and 2016 before intragroup eliminations are shown below (in thousands).

	EACCI	FEUAI
May 31, 2018		
Total assets	P 2,238,101	P 1,398,381
Total liabilities	146,187	301,132
Total equity	2,091,914	1,097,249
Total revenue	646,492	507
Net profit (loss) for the year	285,684	(11,454)
Net cash from (used in) operating activities	(509,754)	193,597
Net cash used in investing activities	(71,779)	(689,608)
Net cash from (used in) financing activities	(2,090)	602,500
	(P 583,623)	**P 106,489**
May 31, 2017		
Total assets	P 1,931,907	P 557,328
Total liabilities	119,973	51,126
Total equity	1,811,934	506,202
Total revenue	717,159	-
Net profit (loss) for the year	328,834	(9,130)
Net cash from operating activities	331,788	36,727
Net cash used in investing activities	(21,386)	(488,326)
Net cash from (used in) financing activities	(50,840)	510,250
	P 259,562	P 58,651
May 31, 2016		
Total assets	P 1,679,149	
Total liabilities	141,744	
Total equity	1,537,404	
Total revenue	61,227	
Net profit for the year	16,364	
Net cash from operating activities	46,583	
Net cash used in investing activities	(15,148)	
Net cash used in financing activities	-	
	P 31,435	

26. EARNINGS (LOSS) PER SHARE

EPS amounts were computed as follows:

	2018 (One Year)	2017 (One Year)	2016 (Two Months)
Net profit (loss) attributable to owners of the parent company	**P 492,229,280**	P 749,519,197	(P 166,280,222)
Divided by weighted average number of shares outstanding, net of treasury stock of 88,967, 83,195 and 70,316 as of May 31, 2018, 2017 and 2016, respectively	**16,430,700**	16,434,790	16,446,538
Basic and diluted EPS	**P 29.96**	P 45.61	(P 10.11)

The weighted number of shares as of May 31, 2018, 2017 and 2016 are computed as follows:

	Number of Shares	**Months Outstanding**	**Weighted Number of Shares**
May 31, 2018			
Balance at beginning of year	16,431,159	12	197,217,476
Purchase of treasury stock during the period:			
July 2017	(132)	11	(1,452)
September 2017	(5,000)	9	(45,000)
January 2018	(61)	5	(305)
February 2018	(579)	4	(2,316)
Balance at end of period	16,425,387		197,168,403
Divided by total months during the year			12
Weighted average number of shares outstanding as of May 31, 2017			**16,430,700**

	Number of Shares	Months Outstanding	Weighted Number of Shares
May 31, 2017			
Balance at beginning of year	16,444,038	12	197,328,456
Purchase of treasury stock during the period:			
August 2016	(209)	10	(2,090)
September 2016	(100)	9	(900)
September 2016	(10,000)	9	(90,000)
November 2016	(2,570)	7	(17,990)
Balance at end of period	16,431,159		197,217,476
Divided by total months during the year			12
Weighted average number of shares outstanding as of May 31, 2017			16,434,790
May 31, 2016			
Balance at beginning of period	16,449,038	2	32,898,076
Purchase of treasury stock during the period:			
April 2016	(5,000)	1	(5,000)
Balance at end of period	16,444,038		32,893,076
Divided by total months during the period			2
Weighted average number of shares outstanding as of May 31, 2016			16,446,538

The University has no dilutive potential common shares as of May 31, 2018, 2017 and 2016; hence, the diluted earnings (loss) per share is the same as the basic earnings (loss) per share in all the periods presented.

27. EVENTS AFTER THE END OF THE REPORTING PERIOD

On August 28, 2018, the University's BOT approved the following changes in the appropriation of retained earnings as of May 31, 2018:

	May 31, 2018	Reversal	August 28, 2018
Property and investment acquisition	P 2,000,000,000	(P 369,000,000)	P 1,631,000,000
Expansion of facilities	324,800,000	(160,800,000)	164,000,000
Contingencies	240,000,000	(50,000,000)	190,000,000
General retirement	140,000,000	(50,000,000)	90,000,000
Purchase of equipment and improvements	135,200,000	(43,200,000)	92,000,000
Treasury stock	3,733,100	-	3,733,100
	P 2,843,733,100	(P 673,000,000)	P 2,170,733,100

The foregoing post year-end event involving the University did not have any impact on its financial statements as of and for the year ended May 31, 2018.

28. COMMITMENTS AND CONTINGENCIES

The following are the significant commitments and contingencies involving the Group:

28.1 Capital Commitments – Related to Condominium Units Acquired

As of March 31, 2018, 2017 and 2016, FRC has commitments of about P143.4 million, P61.3 million and P46.4 million, respectively, for the condominium units acquired at pre-selling stage that are currently under construction.

28.2 Operating Lease Commitments

(a) Group as Lessor

As discussed in Note 24.4, FRC lease out certain buildings to EAEF and FERN College for varying periods. FRC also lease out certain land and buildings to several non-related parties for a period of one to ten years.

Future minimum rental receivables, excluding contingent rental, under these operating leases as of May 31, 2018, 2017 and 2016 are as follows:

	2018	2017	2016
Within one year	**P 12,000,000**	P 20,430,890	P 55,930,374
After one year but not more than five years	**48,000,000**	80,164,518	143,656,849
More than five years	**8,000,000**	61,790	21,000,000
	P 68,000,000	P 100,657,198	P 220,587,223

(b) Group as Lessee

The Group is a lessee under operating lease agreements covering rentals of event venues, transportation vehicles and small items of equipment used for various students' and employees' activities. Total rentals for the periods ended May 31, 2018, 2017 and 2016 amounted to P12.3 million, P5.7 million and P3.1 million, respectively (see Note 20). There are no expected future minimum rental payments beyond one year as these contracts cover short periods only.

28.3 Open Legal Cases

As of May 31, 2017, the University has a pending case against the local government of City of Manila where it is contesting the imposition of local business tax on the tuition fees collected. The University's protest is grounded on the following premises: (i) the lack of specific provision in the Local Government Code and in the Local Tax Code of Manila authorizing the City of Manila to impose a business tax of 1% on tuition fees; (ii) prescription; and, (iii) violation of due process. The local business tax being contested covers taxable years 2009 to 2013.

Also, as of the same date, the University is a defendant in certain civil cases, which are pending before the National Labor Relations Commission, Court of Appeals and the Supreme Court.

As of May 31, 2018 and 2017, no final decision has been rendered by the courts in the above-mentioned cases; hence, no provision for contingencies is recognized. The University's management and its legal counsel believe that liabilities, if any, which may result from the outcome of these cases, will not materially affect the financial position and results of operations of the University.

28.4 Provisions and Other Contingencies

There are recognized provisions in the consolidated statements of financial position that arise in the normal course of certain subsidiary's operations. Also, there are other contingencies that arise in the normal course of business that are not recognized in the Group's consolidated financial statements. Management believes that losses, if any, arising from these provisions, commitments and contingencies will not materially affect its consolidated financial statements, however, the Group opted to generally appropriate portion of its retained earnings to cover for such contingencies (see Note 25.3).

29. CAPITAL MANAGEMENT OBJECTIVES, POLICIES AND PROCEDURES

The Group aims to provide returns on equity to shareholders while managing operational and strategic objectives. The Group manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares or obtain debt financing.

The Group defines capital as paid-in capital stock and retained earnings, both appropriated and unappropriated. Other components of equity such as treasury stock and revaluation reserves are excluded from capital for purposes of capital management. The BOT has overall responsibility for monitoring of capital in proportion to risks. Profiles for capital ratios are set in the light of changes in the Group's external environment and the risks underlying the Group's business, operation and industry.

The University monitors capital on the basis of debt-to-equity ratio, which is calculated as total liabilities divided by total adjusted equity attributable to owners of the parent company. Capital for the reporting periods under review is summarized below.

	2018	2017 [As Restated – see Note 2.1(d)]	2016 [As Restated – see Note 2.1(d)]
Total liabilities	**P 4,145,997,280**	P 3,137,217,789	P 2,626,469,635
Total adjusted equity attributable to owners of the parent company	**6,862,186,284**	6,712,118,277	6,417,167,016
Debt-to-equity ratio	**0.60 : 1.00**	0.47 : 1.00	0.41 : 1.00

The Group's goal in capital management is to maintain a lower liability compared with its adjusted equity or a debt-to-equity structure ratio of not more than 1.00 : 1.00. This is in line with the University's bank covenants related to its borrowings, which requires the University to maintain a debt-to-equity structure ratio of not more than 2.00 : 1.00 and debt service coverage ratio of at least 1.2x.

The University has complied with its covenant obligations, including maintaining the required debt-to-equity ratio for all the years presented.

There was no significant change in the Group's approach to capital management during the year.

30. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

Presented below is the reconciliation of liabilities arising from various financing activities in fiscal year 2018.

	Interest-bearing Loans (Note 18)	Dividends Payable (Note 17)	Accrued Interest	Total
Balance at June 1, 2017	P1,950,000,000	P 181,662,771	P 540,308	P2,132,203,079
Cash flows from financing activities:				
Proceeds from additional loans	795,000,000			795,000,000
Repayments of loans	(227,857,142)			(227,857,142)
Dividends declaration		262,811,312		262,811,312
Dividends paid		(242,812,818)		(242,812,818)
Accrual of interest			83,798,889	83,798,889
Interest paid			(80,647,392)	(80,647,392)
Balance at May 31, 2018	**P2,517,142,858**	**P 201,661,265**	**P 3,691,805**	**P2,722,495,928**

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Report of Independent Auditors to Accompany Supplementary Information Required by the Securities and Exchange Commission Filed Separately from the Basic Consolidated Financial Statements

The Board of Trustees and the Stockholders
The Far Eastern University, Incorporated and Subsidiaries
Nicanor Reyes, Sr. Street
Sampaloc, Manila

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of The Far Eastern University, Incorporated and subsidiaries (the Group) for the year ended May 31, 2018, on which we have rendered our report dated August 28, 2018. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The applicable supplementary information (see List of Supplementary Information) is presented for purposes of additional analysis in compliance with the requirements of the Securities Regulation Code Rule 68, as amended, and is not a required part of the basic consolidated financial statements prepared in accordance with Philippine Financial Reporting Standards. Such supplementary information is the responsibility of the Group's management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

PUNONGBAYAN & ARAULLO

By: **Mailene Sigue-Bisnar**
Partner

CPA Reg. No. 0090230
TIN 120-319-128
PTR No. 6616003, January 3, 2018, Makati City
SEC Group A Accreditation
Partner - No. 0396-AR-3 (until Oct.15, 2018)
Firm - No. 0002-FR-5 (until Mar. 26, 2021)
BIR AN 08-002511-20-2018 (until Jan. 25, 2021)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Dec. 31, 2018)

August 28, 2018

THE FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
INDEX TO SUPPLEMENTAL SCHEDULES
MAY 31, 2018

Statement of Management's Responsibility for the Consolidated Financial Statements

Independent Auditor's Report on the SEC Supplementary Schedules Filed Separately from the Basic Financial Statements

Supplementary Schedules to Consolidated Financial Statements (Form 17-A, Item 7)

Other Required Information

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule A - Marketable Securities (Current Marketable Securities and Other Short-term Cash Investments)
May 31, 2018

Name of Issuing Entity and Association of Each Issue		*Number of Shares or Principal Amount of Bonds and Notes*		*Amounts Shown on the Statements of Financial Position*	*Income Received and Accrued*
Bank of the Philippine Islands (BPI) Trust Account:					
Government Securities					
FXTN 2017MR	P	13,200,000	P	15,041,463	
FXT1060MR		6,544,188		5,857,058	
FXT2511MR		3,438,971		2,471,409	
RTBONDM		7,300,000		6,340,050	
RTBONDM		3,300,000		3,293,424	
RTBONDM		5,000,000		4,868,589	
Corporate Bonds					
ALI BOND (4.5%, 4/27/2019)	P	74,000,000	P	74,000,000	
SMCGPDBDM (4.3%, 12/22/2022)		15,000,000		14,820,334	
AC BOND (5.44%, 5/12/2021)		15,000,000		15,000,000	
AC BOND (5.5%, 5/11/2027)		34,500,000		34,500,000	
APC BOND (4.27%, 7/3/2017)		2,000,000		1,866,478	
FLI BOND (5.02%, 6/8/2019)		20,000,000		20,000,000	
GTCAP BOND (3.87%, 2/27/2020)		30,000,000		30,000,000	
SMPH-BOND (1/1/2021)		20,000,000		20,000,000	
SMIC-BNDM (12/9/2023)		9,200,000		8,966,897	
ALI BOND (4.21%, 5/2/2027)		5,000,000		5,000,000	
CPI BOND (4.04%, 1/7/2023)		7,900,000		7,900,000	
PLDT BOND (5.39%, 7/27/2019		19,000,000		19,000,000	
MCC-DSPN (3.2%, 8/12/2020)		13,000,000		13,000,000	
BPI-$TDT 06042018 0	$	342,000		17,961,836	
BPI-$TDT 06112018 0		1,000		52,520	
BPI-$TDT 06132018 0		48,000		2,520,959	
BPI-$TDT 06192018 1		663,000		34,820,752	
BPI-$TDT 06252018 0		17,000		892,840	
BPI-$TDT 06282018 1		25,000		1,313,000	
BPI-$TDT 07042018 0		544,000		28,570,873	
Equity Securities					
Common Shares					
BDO Unibank, Inc. (BDO)		169,743	P	22,151,462	
Bank of the Philippine Islands (BPI)		219,670		20,868,650	
Metropolitan Bank and Trust Company (MBT)		163,813		13,006,752	
Security Bank Corporation (SECB)		48,990		9,553,050	
Aboitiz Power Corporation (AP)		121,400		4,771,020	
Manila Electric Company (MER)		9,890		3,192,492	
Petron Corporation (PCOR)		88,600		784,110	
Jollibee Foods Corporation (JFC)		15,970		4,375,780	
Universal Robina Corporation (URC)		64,200		8,217,600	
Ayala Corporation (AC)		18,985		17,845,900	
Aboitiz Equity Ventures, Inc. (AEV)		187,760		10,852,528	
Alliance Global Group, Inc. (AGI)		284,960		3,789,968	
DMCI Holdings, Inc. (DMC)		257,750		2,783,700	
GT Capital Holdings, Inc. (GTCAP)		5,985		5,805,450	
JG Summity Holdings, Inc. (JGS)		222,560		12,708,176	
Metro Pacific Investments Corporation (MPI)		2,211,590		10,283,894	
SM Investments Corporation (SM)		36,897		32,026,596	
Ayala Land, Inc. (ALI)		699,226		27,829,195	
Megaworld Corporation (MEG)		1,046,160		5,084,338	
Robinsons Land Corporation (RLC)		308,116		6,793,958	
SM Prime Holdings, Inc. (SMPH)		570,080		21,092,960	
Globe Telecom, Inc. (GLO)		2,905		4,694,480	
PLDT, Inc. (TEL)		7,170		9,285,150	
International Container Terminals, Inc. (ICT)		66,170		5,591,365	
Puregold Price Club, Inc. (PGOLD)		51,870		2,422,329	
Robinsons Retail Holdings, Inc. (RRHI)		41,690		3,668,720	
Semirara Mining and Power Corporation (SCC)		143,040		4,090,944	
Preferred Shares					
FGEN Preferred Series F (FGENF)		200,000	P	21,400,000	
FGEN Preferred Series G (FGENG)		50,000		5,350,000	
Ayala Corp Class B Preferred (ACPB1)		100,000		49,900,000	
Ayala Corp Class B Series 2 Preferred (ACPB2)		50,000		25,750,000	
USD Del Monte Pacific Limited U.S. A1 (DMPA1)		50,000		26,785,194	
Mutual Funds					
WELGDGA		11,559	P	15,982,094	

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FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
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Name of Issuing Entity and Association of Each Issue	*Number of Shares or Principal Amount of Bonds and Notes*	*Amounts Shown on the Statements of Financial Position*	*Income Received and Accrued*
Bank of the Philippine Islands (BPI) Trust Account (continuation):			
Unit Investment Trust Fund (UITF)			
STF UITF	213,625	P 31,090,983	
BKLN.ETF	12,314	14,868,349	
FLOT.ETF	7,792	20,887,392	
IGOV.ETF	2,740	7,101,700	
Totals for BPI Trust Account		**P 880,744,760**	**P 40,976,640**
Banco De Oro (BDO) Trust Account:			
Government Securities			
FXTN 10-59 (IMA-TX)	P 1,237,933	P 1,157,828	
FXTN 20-16 (TX) IMA	2,530,000	2,968,382	
FXTN 7-54 (TX-IMA)	2,100,000	2,111,102	
FTXN 20-11 (TX) IMA	1,600,000	2,101,454	
FXTN 10-48 (IMA-TX)	2,497,000	2,553,495	
FXTN 7-51 (TX IMA)	3,289,000	3,298,558	
FXTN 7-56 (TX) IMA	40,950,000	40,746,439	
FXTN 5-73 (TX) IMA	14,215,000	13,954,212	
FXTN 7-57 (TX) IMA	62,209,000	60,635,716	
FXTN 10-55 (IMA-TX)	2,000,000	2,046,856	
FXTN 10-54 (TX) IMA	3,700,000	3,836,241	
RETAIL TREASURY BOND 25-1 (TX-IMA)	7,400,000	6,696,593	
FXTN 5-74 (IMA-TX)	25,160,000	24,480,631	
FXTN 3-22 (IMA-TX)	15,000,000	14,810,209	
RETAIL TREAS BOND (R3-8) IMA -	14,910,000	14,880,247	
TREASURY BILLS (IMA-TX) - HTC	1,370,000	1,349,856	
TREASURY BILLS (IMA-TX) - HTC	5,000,000	4,839,800	
Corporate Bonds			
San Miguel Brewery Bond 10Yrs (6.6%, 4/2/2022)	9,000,000	9,238,022	
Rockwell Land Corp. Bond (TX) (5.0932%, 2/15/2021)	5,500,000	5,437,834	
Aboitiz Equity Ventures 7-Yr (4.4125%, 11/21/2020)	20,200,000	19,789,933	
PLDT Fixed Rate Corp Bond - 7Yr (5.225%, 2/6/2021)	41,000,000	40,567,162	
Filinvest Land Inc Bond 5 - Yrs (4.8562%, 11/8/2020)	5,730,000	5,662,048	
Ayala Land Inc. Corporate Bond (5.625%, 4/27/2019)	50,000,000	50,432,827	
JG Summit - 5Yr & 6Mos Bond (TX-IMA) (5.2317%, 8/27/2019)	46,000,000	46,099,911	
Energy Dev't Corp. Bond 7 Yrs (4.1583%, 5/3/2020)	6,000,000	5,916,998	
Globe Telecom Bond 7 Years (TX) (4.8875%, 7/17/2020)	10,000,000	9,965,355	
Ayala Land Inc. Corporate Bond (4.625%, 10/10/2020)	16,230,000	16,034,416	
Ayala Multiple Put Bonds (IMA) (6.8%, 5/12/2021)	9,100,000	9,319,755	
ABS-CBN Bond - 7Yrs (TX) IMA (5.335%, 2/10/2021)	5,000,000	4,690,620	
JG Summit Holdings - 7Yr Bond (TX) (5.2442%, 2/27/2021)	1,000,000	1,002,396	
Filinvest Dev Corp Bond - 10Yrs (6.1458%, 1/24/2024)	3,000,000	3,017,174	
Ayala Land Inc. Corporate Bond (5.625%, 4/25/2025)	1,000,000	982,354	
RCBC Unsec. Sub. Notes (TX-VTA) (5.375%, 9/27/2019)	8,500,000	8,432,808	
Aboitiz Power Corp Bonds (Tax) (5.205%, 9/10/2021)	29,700,000	29,236,630	
Robinsons Land Corp. Fixed Rate (4.8%, 2/23/2022)	17,500,000	17,118,206	
Ayala Corporation Bond (TX-IMA) (6.875%, 5/11/2027)	2,000,000	2,042,679	
Aboitiz Equity Ventures 7 Year (5.0056%, 8/6/2022)	5,000,000	4,902,198	
Megaworld Corp Bond (IMA-TX) (5.3535%, 3/28/2024)	31,470,000	29,017,742	
Long Term Negotiable Certificate of Deposit (LTNCD)			
SECURITY BANK CORP. LTNCD (5.5%, 2/17/2019)	1,000,000	1,005,158	
SECURITY BANK CORP. LTNCD (3.875%, 8/5/2023)	33,000,000	33,020,063	
BPI LTNCD (3.75%, 5/24/2023)	17,500,000	17,500,000	

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FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
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Name of Issuing Entity and Association of Each Issue	*Number of Shares or Principal Amount of Bonds and Notes*	*Amounts Shown on the Statements of Financial Position*	*Income Received and Accrued*
Banco De Oro (BDO) Trust Account (continuation):			
Equity Securities			
Common Shares			
Megaworld Corporation (MEG)	650,370	P 3,160,798	
Globe Telecom, Inc. (GLO)	4,002	6,467,232	
PLDT, Inc. (TEL)	4,532	5,868,940	
Security Bank Corporation (SECB)	16,131	3,145,545	
Universal Robina Corporation (URC)	55,820	7,144,960	
Robinsons Land Corporation (RLC)	226,630	4,997,192	
Petron Corporation (PCOR)	666,500	5,898,525	
Ayala Land, Inc. (ALI)	411,860	16,392,028	
JG Summity Holdings, Inc. (JGS)	147,420	8,417,682	
International Container Terminals, Inc. (ICT)	95,060	8,032,570	
Jollibee Foods Corporation (JFC)	6,905	1,891,970	
Metropolitan Bank and Trust Company (MBT)	133,852	10,627,849	
Bank of the Philippine Islands (BPI)	37,777	3,588,815	
Ayala Corporation (AC)	2,784	2,616,960	
Metro Pacific Investments Corporation (MPI)	1,617,450	7,521,143	
SM Prime Holdings, Inc. (SMPH)	130,298	4,821,026	
Aboitiz Equity Ventures, Inc. (AEV)	52,150	3,014,270	
Manila Electric Company (MER)	2,760	890,928	
DMCI Holdings, Inc. (DMC)	213,050	2,300,940	
BDO Unibank, Inc. (BDO)	80,180	10,463,490	
SM Investments Corporation (SM)	21,468	18,634,224	
First Gen Corporation (FGEN)	249,610	3,739,158	
Alliance Global Group, Inc. (AGI)	190,300	2,530,990	
Aboitiz Power Corporation (AP)	110,970	4,361,121	
Puregold Price Club, Inc. (PGOLD)	120,330	5,619,411	
GT Capital Holdings, Inc. (GTCAP)	7,490	7,265,300	
Semirara Mining and Power Corporation (SCC)	360,950	10,323,170	
Robinsons Retail Holdings, Inc. (RRHI)	83,170	7,318,960	
DoubleDragon Properties, Inc. (DD)	49,000	4,949,000	
D&L Industries, Inc. (DNL)	388,360	4,287,494	
Manila Water Company, Inc. (MWC)	96,720	2,742,012	
Megawide Constructin Corporation (MWIDE)	97,690	2,168,718	
Wilcon Depot, Inc. (WLCON)	439,840	4,926,208	
Chelsea Logistics Holdings Corporation (CLC)	295,800	2,144,550	
Preferred Shares			
FGEN Preferred Series F (FGENF)	145,000	P 15,515,000	
First Philippine Holdings Corporation Preferred (FPHP)	56,000	28,280,000	
Globe Telecom, Inc. Preferred A (GLOPA)	96,240	49,852,320	
GT Captial Holdings, Inc. (GTPPA)	4,500	4,493,250	
UITF			
BDO-TRUST & INV	522,594	P 59,836,277	
Others			
Time certificate of deposit (Own bank)	49,900,000	49,900,000	
Other assets	9,227	9,227	
Totals for BDO Trust Account		**P 979,059,160**	**P 55,869,239**
HSBC Account:			
UITF			
SEI GBL MSTR FD PLC - GBL FX INC FD USD	29,416	P 24,844,849	
SEI GBL MSTR FD PLC - US CORE FX INC	42,358	41,310,835	
SEI GBL MSTR FD PLC - EMRG MKTS DBT FD USD	5,019	7,338,364	
SEI GBL MSTR FD PLC - GBL OPP FX INC USD	17,372	16,475,630	
SEI GBL MSTR FD PLC - HGH YLD FX INC USD	3,507	7,730,591	
SEI GBL MSTR FD PLC - EMRG MKTS EQTY USD	4,417	7,917,222	
SEI GBL MSTR FD PLC - GBL EQTY USD	85,139	59,572,582	
SEI GBL MSTR FD PLC - GBL MGD VOL FD USD H	30,838	18,766,430	
SEI GBL MSTR FD PLC - PAN EURO SML CAP USD	3,724	2,935,588	
SEI GBL MSTR FD PLC - US SML COMPNS FD USD	1,710	8,503,218	
HSBC DIVERSIFIED LOAN SCSP RAIF A USD	505,000	26,607,945	
Others	-	408,935	
Totals for Hong Kong and Shanghai Banking Corporation Account		**P 222,412,190**	**(P 161,261)**

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Other Investments:					
Equity Securities					
Commons Shares					
Aboitiz Equity Ventures, Inc. (AEV)		3,540	P	192,930	
Aboitiz Power Corporation (AP)		7,780		270,355	
Ayala Corporation (AC)		200		184,000	
Ayala Land, Inc. (ALI)		30,590		1,159,361	
Bank of the Philippine Islands (BPI)		449		39,737	
BDO Unibank, Inc. (BDO)		4,184		525,092	
D&L Industries, Inc. (DNL)		24,030		244,145	
DMCI Holdings, Inc. (DMC)		10,280		107,940	
Globe Telecom, Inc. (GLO)		240		369,600	
GT Capital Holdings, Inc. (GTCAP)		550		500,500	
International Container Terminals, Inc. (ICT)		3,010		232,673	
JG Summity Holdings, Inc. (JGS)		5,950		297,500	
Jollibee Foods Corporation (JFC)		900		236,700	
Manila Electric Company (MER)		103		36,627	
Manila Water Company, Inc. (MWC)		5,110		143,080	
Megawide Constructin Corporation (MWIDE)		6,410		128,521	
Megaworld Corporation (MEG)		87,460		374,329	
Metro Pacific Investments Corporation (MPI)		71,510		328,946	
Metropolitan Bank and Trust Company (MBT)		10,162		745,891	
Petron Corporation (PCOR)		35,700		317,016	
PLDT, Inc. (TEL)		260		335,400	
Robinsons Land Corporation (RLC)		19,274		358,496	
Robinsons Retail Holdings, Inc. (RRHI)		4,900		389,550	
Security Bank Corporation (SECB)		1,020		204,000	
Semirara Mining and Power Corporation (SCC)		17,790		539,037	
SM Investments Corporation (SM)		880		770,000	
SM Prime Holdings, Inc. (SMPH)		5,950		213,903	
Universal Robina Corporation (URC)		3,364		407,044	
Centro Escolar University (CEU)		1,351,207		11,890,622	
Cirtek Holdings Philippines Corporation (TECB2)		281,000		15,101,721	
Preferred Shares					
GT Captial Holdings, Inc. (GTPPA)		7,940	P	7,928,090	
GT Captial Holdings, Inc. (GTPPA)		1,000		999,000	
Total			P	45,571,804	
UITF					
BPI SHORT TERM UITF		28,917	P	4,208,556	
BPI US DOLLAR SHORT TERM FUND		269		4,247,541	
BGF EURO SPL SITS FN NON DIS A2 USD HDGE		20,134		17,111,354	
BGF EURO SPL SITS FN NON DIS A2 USD HDGE		13,157		11,181,787	
BGF CONTINENTAL FN NON DIS A2 USD HDGE		2,300		1,558,435	
BGF EURO SPL SITS FN NON DIS A2 USD HDGE		913		775,935	
BGF CONTINENTAL FN NON DIS A2 USD HDGE		945		1,470,331	
BGF ASN GRWTH LDERS FN NON DIS A2		3,131		3,378,570	
BGF GLO EQTY IN FN NON DIS A2		4,398		3,747,013	
BGF EUROPN SPCL SITS FN NON DIS A2 USD		278		732,377	
BGF EMERGING EUROPE FN NON DIS A2		628		3,852,461	
BDO INSTL. CASH RESERVE FUND		45,522		5,222,438	
Total			P	57,486,799	
Corporate Bonds with Cross Currency Swaps (CCS)					
MQGAU CCS 7.75% 2/13, 8/13	$	500,000	P	27,289,913	
FCD CCS 4.55% 10/2, 4/2		500,000		26,307,414	
MQGAU CCS 6.25% 7/14, 1/14		500,000		28,023,098	
First Pac CCS 6.2% 12/28, 6/28		400,000		22,020,901	
FDC CCS 4.45% 10/2, 4/2		500,000		26,289,540	
ICT CCS 7.6% 9/17, 3/17		600,000		34,889,508	
FDC CCS 4.45% 10/2, 4/2		500,000		25,675,901	
Total			P	190,496,275	

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Other Investments (continuation):			
Corporate Bonds			
PETRON CORPORATION (3.2%, 10/27/2021)	P 15,000,000	P 15,000,000	
AYALA LAND INC. CORP BOND	5,000,000	5,000,000	
AYALA CORP. FIXED RATE BONDS	1,400,000	1,280,020	
AYALA LAND CORP. BOND TRANCHE	3,900,000	3,579,736	
MEGAWORLD CORP. BOND (IMA-TX)	4,030,000	3,879,099	
BRASKEM FINANCE LTD PERPETUAL (7.38%, 10/29/2049)	$ 100,000	4,754,213	
SECURITY BANK CORP (5.88%, 2/3/2020)	150,000	8,081,565	
FIRST GEN CORP (6.5%, 10/9/2023)	75,874	4,203,934	
VLL INTERNATIONAL INC (7.38%, 6/18/2022)	400,000	21,346,483	
AYC FINANCE LIMITED (1) (5.13%, 9/13/2022)	500,000	27,057,646	
AYC FINANCE LIMITED (2) (5.13%, 9/13/2022)	500,000	26,344,500	
FILINVEST DVP CAY ISLANDS	200,000	10,556,464	
BRASKEM FINANCE LTD PERPETUAL	100,000	5,252,703	
VLL INTERNATIONAL INC	200,000	11,207,799	
AYC FINANCE LIMITED	1,000,000	50,710,747	
Total		P 198,254,910	-
Government Bonds			
FXTN 10-59 (IMA-TX)	P 10,221,447	P 9,169,777	
FXTN 5-73 (IMA-TX)	6,027,384	5,858,943	
FXTN 7-56 (TX) IMA	40,649,148	39,687,548	
FXTN 7-57 (TX) IMA	8,072,112	7,750,612	
TREASURY BILL (IMA-TX HTC)	984,532	987,846	
Total		P 63,454,727	
LTNCD			
ROBINSONS BANK LTNCD	P 5,000,000	P 4,739,922	
SECURITY BANK CORP	1,000,000	988,776	
Total		P 5,728,698	
Total income from other securities			P 26,969,396
Others			
Placements and Time Deposits			
FEU			
Rizal Commercial Banking Corporation (RCBC)	P 3,165,739	P 3,165,739	P 1,876,556
FRC			
BPI	59,151,013	59,151,013	973,318
EACCI			
BDO	483,416,128	483,416,128	23,061,333
RCBC	406,273,676	406,273,676	
FECSI			
BPI Family Bank	25,234,590	25,234,590	1,421,712
Metrobank	12,739,071	12,739,071	
BDO	12,556,250	12,556,250	
FEU High			
BPI	40,900,000	40,900,000	1,246,550
FEU Alabang			
RCBC	50,886,940	50,886,940	4,139,078
RCI			
RCBC	-	-	128,586
Total		P 1,094,323,407	P 32,847,133
Totals for Other Investments		**P 1,655,316,620**	**P 59,816,529**
Grand Totals		**P 3,737,532,731**	**P 156,501,147**

Note:

The financial assets in this schedule is presented in the 2018 consolidated statement of financial position as follows.

Available-for-sale Financial Assets	*P 2,296,015,480*
HTM Investments	*297,284,616*
Short-term Placements (part of Cash and Cash Equivalents account)	*215,203,580*
Short-term Investments (part of Other Current Assets account)	*917,501,695*
Other Non-current Assets	*11,527,360*
	P 3,737,532,731

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other Than Related Parties)
May 31, 2018

Name and Designation of Debtor	*Balance at Beginning of Period*	*Additions*	*Deductions*		*Current*	*Non-Current*	*Balance at End of Period*
			Amounts Collected	*Amounts Written-Off*			
ABAD, DIEGO JOSE	P 5,050	P 4,969	(P 8,775)	P -	P 1,244	P -	P 1,244
Abala, Genelin	155	-	-	-	155	-	155
Abanto, Flordeliz L.	-	90,515	(108,795)	-	(18,280)	-	(18,280)
Abarrientos, Johnny	3,113	8,300	(7,263)	-	4,150	-	4,150
ABBAS, JAMAL	-	-	(681)	-	(681)	-	(681)
ABELARDO, LUZVIMINDA	-	7,440	-	-	7,440	-	7,440
Abella, Maria Corazon	-	62,463	(3,418)	-	59,045	-	59,045
Abello, Susan	10,062	-	-	-	10,062	-	10,062
Abenoja, Hazel	(709)	-	-	-	(709)	-	(709)
Abitria, Rommel	1,163	-	(2,135)	-	(972)	-	(972)
Abrenica, Vergenee Marree	753	-	(2,408)	-	(1,654)	-	(1,654)
ABRIGO, ALDREN	-	-	(518)	-	(518)	-	(518)
Acero, Francis	200	-	(377)	-	(177)	-	(177)
ACHACOSO, MARC DAVID	-	-	(500)	-	(500)	-	(500)
ACOMULAR JR., MELQUIADES A	-	224,000	-	-	224,000	-	224,000
Ador, Lauro	529	-	-	-	529	-	529
Advincula, Helen	-	16,947	(3,008)	-	13,939	-	13,939
AFUNDAR, CHRISTIAN LEMUEL	28,000	224,000	(196,000)	-	56,000	-	56,000
Agnes, Reynold D.	-	13,400	-	-	13,400	-	13,400
AGPAOA, VERLE	-	-	(1,009)	-	(1,009)	-	(1,009)
Agub, Christian	(881)	-	-	-	(881)	-	(881)
Aguila, Eirene Jhone	909	-	(1,254)	-	(345)	-	(345)
Aguila, Fitzgerald	9,105	-	-	-	9,105	-	9,105
AGUSTIN, ALLIE	-	-	(691)	-	(691)	-	(691)
AGUSTIN, MA. REGINA	-	681	(681)	-	-	-	-
Agustin, Maria Theresa A.	6,720	37,694	(34,269)	-	10,145	-	10,145
AHMAD, INOCENCIA	-	-	(663)	-	(663)	-	(663)
AHMADZADEH, TERESITA	-	6,220	-	-	6,220	-	6,220
AKBAR, MARIA CHRISTINA	-	-	(1,072)	-	(1,072)	-	(1,072)
Alabarca, Wilma	842	-	-	-	842	-	842
Alava, Karla Jane D.	-	8,300	-	-	8,300	-	8,300
Alba, Michael	326,625	916,184	(1,060,247)	-	182,562	-	182,562
Albano, Allan Rey	3,113	8,300	(7,263)	-	4,150	-	4,150
Alberto, Julianne S	-	1,772	-	-	1,772	-	1,772
Albores, Frances Dales Albert	-	645	(645)	-	-	-	-
ALCANO, ERNESTO	-	-	(500)	-	(500)	-	(500)
ALCARTADO, LEONORA B	-	5,061	-	-	5,061	-	5,061
ALDEA, MARY GRACE	-	-	(1,608)	-	(1,608)	-	(1,608)
Alejandro, Grecebio Jonathan	(400)	-	-	-	(400)	-	(400)
Alejandro, Ma. Michelle	2,229	-	-	-	2,229	-	2,229
Alejo, Cinderella	(491)	-	-	-	(491)	-	(491)
Alentajan, Carlo Bonifacio	1,090	-	(1,697)	-	(606)	-	(606)
ALER, DIOSDADO	-	1,638	(1,638)	-	-	-	-
ALFORTE, JUVY IRENE	-	119	-	-	119	-	119
Alingasa, Reman	-	-	-	-	-	-	-
Allam, Marion	909	-	(1,163)	-	(254)	-	(254)
ALVAREZ JR., ABEL	-	1,350	(450)	-	900	-	900
Alvendia, Balani	537	-	-	-	537	-	537
ALVERO, MARK	-	-	1,974	-	1,974	-	1,974
Amacan, Normita	-	-	5,778	-	5,778	-	5,778
Amarante, Nora	(35,756)	-	-	-	(35,756)	-	(35,756)
Amlog, Jocelyn A.	45,000	-	-	-	45,000	-	45,000
Amoncio, Lilia	(600)	-	-	-	(600)	-	(600)
Amoroso, Dranyl	753	-	(830)	-	(77)	-	(77)
Ampatin, Estrella V.	-	7,909	-	-	7,909	-	7,909
Ampatin, Estrella V.	74,626	-	-	-	74,626	-	74,626
ANCHETA, JOIE FE	-	427	(427)	-	-	-	-
ANCHO, INERO	-	-	(504)	-	(504)	-	(504)
Andal, Elvira	-	-	(663)	-	(663)	-	(663)
Andal Jr., Sergio	(1,695)	591	(1,254)	-	(2,358)	-	(2,358)
ANDAYA, EDWARD	-	5,326	-	-	5,326	-	5,326
Andaya, Marie Jina	-	4,418	-	-	4,418	-	4,418
Andrada, Gayleen H.	200	-	-	-	200	-	200
Andrade, Ru-gie Ann	1,400	-	-	-	1,400	-	1,400
Ang-Angco Jr., Alfredo	2,017	-	-	-	2,017	-	2,017
ANGAT, BERNADETTE G	-	13,671	-	-	13,671	-	13,671
Angeles, Jocelyn Angelita	-	1,384	-	-	1,384	-	1,384
Aniar, Maria Eugene	-	463	(463)	-	-	-	-
ANICETE, ROMMEL	-	17,892	(2,175)	-	15,717	-	15,717
Anido, Cecilia I.	79,257	-	-	-	79,257	-	79,257
Anot Jr., Juanito	(794)	-	-	-	(794)	-	(794)
Ansano, Bela R.	11,590	-	-	-	11,590	-	11,590
Apilado, Kathleen	1,300	-	-	-	1,300	-	1,300
APOLONIO, ROCEL	0	336,681	(28,681)	-	308,000	-	308,000
Aquino, Anna Esperanza	(1,326)	-	-	-	(1,326)	-	(1,326)
Aquino, David Robert	1,254	-	-	-	1,254	-	1,254
Aquino, Riza	-	7,200	(5,215)	-	1,985	-	1,985
Aquino, Tetchie	-	-	(427)	-	(427)	-	(427)
Aquino, Timoteo	719	-	(1,617)	-	(899)	-	(899)
Aragones, Mary Ann F.	422	-	-	-	422	-	422

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Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions		Current	Non-Current	Balance at End of Period
			Amounts Collected	Amounts Written-Off			
Araneta-Alana, Ma Nina	P -	P -	(P 899)	P -	(P 899)	P -	(P 899)
Arboleda, Allen Dave	(436)	-	-	-	(436)	-	(436)
Arboleda, Arliana	-	(518)	518	-	-	-	-
ARCEO, ALELI	-	336	(618)	-	(282)	-	(282)
ARENAS, MINERVA	-	500	(500)	-	-	-	-
Areola, Vina	7,700	-	-	-	7,700	-	7,700
Armingol, Kevin	-	88,910	(89,415)	-	(505)	-	(505)
Arreca, Emma	1,237	-	-	-	1,237	-	1,237
Arroyo, Emil R.	(980)	-	-	-	(980)	-	(980)
Artus, Glaiza	4,150	8,300	(8,300)	-	4,150	-	4,150
Aseremo, Aleli Jihan	-	994	(994)	-	-	-	-
Asiatico, Ma. Dinah	1,908	-	-	-	1,908	-	1,908
ASIS, ANN-GENEVE A.	-	32,000	(32,000)	-	-	-	-
Asis, Josephus Joannes	454	-	(1,163)	-	(709)	-	(709)
ASUNCION, ERIC JAYSON V	-	280,000	(84,000)	-	196,000	-	196,000
Asuncion, Janin Azeq Laxau R.	270	-	-	-	270	-	270
Asuncion, Miguel	753	-	-	-	753	-	753
Asuncion, Ruben	-	663	(663)	-	-	-	-
Atanacio, Fe A.	975	-	-	-	975	-	975
Atanacio, Heidi	-	85,476	(56,000)	-	29,476	-	29,476
Avila, Virgilio	654	-		-	654	-	654
Awi, Eric	1,254	-		-	1,254	-	1,254
Ayson, Arcelli R.	-	41,731	(41,600)	-	131	-	131
Ayson, Rosalino	-	1,763		-	1,763	-	1,763
BABARAN, RIZA GONZALES	-	3,543	(1,772)	-	1,772	-	1,772
Baccay, Yolanda	-	9,131	(3,755)	-	5,376	-	5,376
Badilla, Nelson S.	69	-		-	69	-	69
Baddiri, Edilwasif	-	2,725		-	2,725	-	2,725
BAGUISI, ALAIN	-	1,635	(2,044)	-	(409)	-	(409)
Baja, Lauro L.	996	-		-	996	-	996
Balbastro, Maria Theresa R.	-	2,007		-	2,007	-	2,007
Balbuena, Prikem	200	-		-	200	-	200
BALDOVINO, CARMELO JR	-	-	(1,281)	-	(1,281)	-	(1,281)
BALLARES, LEA D	-	8,575		-	8,575	-	8,575
BANA III, NORBERTO	-	-	(1,363)	-	(1,363)	-	(1,363)
BANAL, RUSTON JR.	-	1,363	(1,935)	-	(572)	-	(572)
Bantayan, Maria Emilia R.	5,710	-		-	5,710	-	5,710
BARCARSE, DOMINGO	-	681	(681)	-	-	-	-
BARILE, MONIQUE	-	-	(2,044)	-	(2,044)	-	(2,044)
Baroque Jr, Teodoro	200	-		-	200	-	200
BARREDO, MA. KATHRYN	-	536	(1,317)	-	(781)	-	(781)
Barrios, Jonathan	2,344	-		-	2,344	-	2,344
Barro, Liana	-	66,605	(30,514)	-	36,092	-	36,092
BARROGA, ALMA	-	2,180		-	2,180	-	2,180
BARTONICO, RENZ	-	-	(781)	-	(781)	-	(781)
Basinilio, Catherine	(844)	-		-	(844)	-	(844)
BATALLA, VERONICA	4,093	-		-	4,093	-	4,093
Batiller Jr., Gregorio	909	-	(1,085)	-	(177)	-	(177)
Batin, Judith J.	975	-		-	975	-	975
Bautista, Aimee Dresa	(1,363)	-		-	(1,363)	-	(1,363)
Bautista, Danilo	655	-		-	655	-	655
BAUTISTA, JEROME CHARLES	-	427	(427)	-	-	-	-
Bautista, Juan Andres	11,214	-		-	11,214	-	11,214
Bautista, Meinard	353	-		-	353	-	353
Bautista, Michelle	51,326	33,200	(59,626)	-	24,900	-	24,900
Bautista, Teresita	(1,128)	-		-	(1,128)	-	(1,128)
Belardo, Amy	-	37,306	(5,481)	-	31,825	-	31,825
BELARMINO, JIM	-	5,455		-	5,455	-	5,455
Belleza, Asuncion L.	826	-		-	826	-	826
Bello, Maria Eliza	(906)	-		-	(906)	-	(906)
Beltran, Loysabel	41,600	1,783	(1,783)	-	41,600	-	41,600
Benico, Ericson	7,840	-		-	7,840	-	7,840
Benico, Ericson	6,660	-		-	6,660	-	6,660
Benicta, Eugeene	(681)	-		-	(681)	-	(681)
Bermachea, Ann Daryl	529	-		-	529	-	529
Bernaldez, Isachar	1,908	-	(572)	-	1,336	-	1,336
Bernardo, Emily	889	-		-	889	-	889
Bernardo, Rodrigo	28,411	-		-	28,411	-	28,411
Betia, Jem Ryn	4,093	-	(3,113)	-	980	-	980
Betita, Eva	(980)	-		-	(980)	-	(980)
Bilan, Jeanette L.	1,326	-		-	1,326	-	1,326
Billoso, Manuel	-	4,214		-	4,214	-	4,214
Bingculado, Roger	9,300	15,000		-	24,300	-	24,300
BINUYA, MARIA VERONICA	-	-	(609)	-	(609)	-	(609)
BISCOCHO, GLYZA VANETH	-	-	(636)	-	(636)	-	(636)
Bitagcul, Virgilio	-	12,831		-	12,831	-	12,831
Blas, Nikki	2,344	-		-	2,344	-	2,344
BO, MA. MELISSA	-	-	(691)	-	(691)	-	(691)
BOBON, MARIE ANTONNETE	-	-	(1,990)	-	(1,990)	-	(1,990)
BOLO JR., BENJAMIN ARCANGEL	-	-	(681)	-	(681)	-	(681)

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BONTUYAN, PETER ALLAN	P	P -	(P 1,281)	P -	(P 1,281)	P -	(P 1,281)
Borines, Marissa	-	-	(391)	-	(391)	-	(391)
Borja, Sofriano	6,225	16,600	(14,525)	-	8,300	-	8,300
Borja, Victoria Ana	-	1,675	-	-	1,675	-	1,675
Botaslac, Benjamin	6,225	18,520	(16,445)	-	8,300	-	8,300
Bragas,Bernard	-	1,888	(1,888)	-	-	-	-
Briones, Domingo	11,376	-	-	-	11,376	-	11,376
Briones, Ritchelle	(3,758)	-	-	-	(3,758)	-	(3,758)
BRIOSO, JOHN OLIVER	-	18,090	(18,090)	-	0	-	0
Brito, Razel	225	-	-	-	225	-	225
BRODBECK, ANNA MARIE G.	32,000	-	(9,480)	-	22,520	-	22,520
Bronce, Roentgen	-	-	(1,163)	-	(1,163)	-	(1,163)
BRUGADA, KRISTOFFER	-	-	(361)	-	(361)	-	(361)
BUEN, RONALD	-	591	(591)	-	-	-	-
Buenafe, Maria Belinda	15,984	45,980	(18,411)	-	43,553	-	43,553
BUENAVENTURA, ERNESTO M.	-	280,000	(113,281)	-	166,719	-	166,719
BUENCAMINO, FELIPE	-	-	(1,108)	-	(1,108)	-	(1,108)
BUENCONSEJO, ROSEMARIE	-	224,000	-	-	224,000	-	224,000
Bueno, Harold	-	-	(2,900)	-	(2,900)	-	(2,900)
Bueno, Marivic	10,371	-	-	-	10,371	-	10,371
Buquid, Apolonio A.	11,487	-	-	-	11,487	-	11,487
Bustamante, Maria Christine	1,699	-	(1,200)	-	499	-	499
Buzon, Nancy	2,175	-	-	-	2,175	-	2,175
Caagbay, Elpidio Z.	7,720	20,633	(12,450)	-	15,903	-	15,903
CAAWAY, JOSE JAMIR	-	10,000	-	-	10,000	-	10,000
Caballero, Dominador	-	-	(318)	-	(318)	-	(318)
Caballes, Bernadette	1,142	-	-	-	1,142	-	1,142
Cabaltica, Leilani A.	2,130	7,719	-	-	9,849	-	9,849
CABANZA III, LEO GUARIN		4,088	(2,044)	-	2,044	-	2,044
Cabasada, Albert R.	(38,248)	-	-	-	(38,248)	-	(38,248)
Cabasal, Herwin	(776)	-	-	-	(776)	-	(776)
CABEBE, LOLITA	-	3,907	-	-	3,907	-	3,907
Cabral, Raymond Nonnatus	82	-	-	-	82	-	82
Cabrera, Roberlyn	3,350	2,018	(2,050)	-	3,318	-	3,318
Cabuhayan, Erlyn	(931)	-	-	-	(931)	-	(931)
CACACHO, GREMAR		445	(445)	-	-	-	-
Cachero, Jason Decena	869	-	-	-	869	-	869
Cada, Rosalie	-	4,653	(4,653)	-	-	-	-
Cadorna, Rosemarie S.	656	-	-	-	656	-	656
Cajuday, Noel	475	2,075	-	-	2,550	-	2,550
Calaque, Precy Mae	881	-	-	-	881	-	881
CaLINGASAN, Recto	613	-	-	-	613	-	613
Calisin, Kevin	-	70,728	(64,800)	-	5,928	-	5,928
CALUNSAG, JEDIDIAH	-	-	(2,044)	-	(2,044)	-	(2,044)
CALUPAZ, MA. LUTGARDA	-	100	(100)	-	-	-	-
Camacho, Paolo Francisco B	-	1,384	-	-	1,384	-	1,384
Camaclang, Merlita J.	3,068	-	-	-	3,068	-	3,068
Cambe, Dhonna	-	568	-	-	568	-	568
Campos, Maria Paz	753	-	-	-	753	-	753
CAMUS, RAFAEL LAO		2,362	(2,362)	-	-	-	-
Canares, Jonathan	23,750	6,325	-	-	30,075	-	30,075
CANDOLETA, JEMN	-	13,568	-	-	13,568	-	13,568
Cañero, Marvin	(636)	-	(1,189)	-	(1,825)	-	(1,825)
CANITA, MARS VICTOR	-	10,000	-	-	10,000	-	10,000
Canoza, Geraldine	-	32,402	(5,996)	-	26,406	-	26,406
Canoza, Geraldine	(6,200)	10,596	(5,400)	-	(1,004)	-	(1,004)
Cao, Marilou F.	(14,236)	31,971	-	-	17,735	-	17,735
Cao, Marilou F.	(2,098)	-	-	-	(2,098)	-	(2,098)
CAOAGDAN, MARIA ALMA	-	681	(681)	-	-	-	-
Caparas, Maria Vida	(781)	-	-	-	(781)	-	(781)
Caramanza, Edward M.	6,300	-	-	-	6,300	-	6,300
Caranguian, Rey	2,017	1,284	(2,289)	-	1,011	-	1,011
Carbonera, Jay Eulogio	2,344	-	-	-	2,344	-	2,344
CARDENAS, NICKY	-	536	(536)	-	-	-	-
CARDENAS, REINALYN	-	-	(1,363)	-	(1,363)	-	(1,363)
CARILLO-RIVERA, KRISTINE BERNADET	-	66,491	(66,491)	-	-	-	-
CARILLO, RENZ ROE	-	-	(2,044)	-	(2,044)	-	(2,044)
Carpio, Miguel M.	(67,585)	-	-	-	(67,585)	-	(67,585)
CARPIO, NIMROD	-	-	(854)	-	(854)	-	(854)
Carpio, Rustica	1,413	-	-	-	1,413	-	1,413
Casaclang, Editha	(1,285)	-	-	-	(1,285)	-	(1,285)
Casado, Eric	-	7,408	-	-	7,408	-	7,408
Casas, Criselda	-	15,949	-	-	15,949	-	15,949
Casis, Ferdinand	-	-	(1,336)	-	(1,336)	-	(1,336)
CASTANARES, MARLON	-	334	(334)	-	-	-	-
CASTILLO, CAROLINA	1,170	-	-	-	1,170	-	1,170
Castillo, Flordeliza	-	223	-	-	223	-	223
Castillo, Jan	2,456	-	-	-	2,456	-	2,456
CASTILLO, LAWRENCE		591	(591)	-	-	-	-
Castillo, Perlita C.	5,000	-	-	-	5,000	-	5,000

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Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions: Amounts Collected	Deductions: Amounts Written-Off	Current	Non-Current	Balance at End of Period
Castro, Lawrence Christopher	P 896	P -	P -	P -	P 896	P -	P 896
CATRONUEVO, ELLAINE	-	11,590	(11,590)	-	-	-	(0)
Catchillar, Ulysses	(1,119)	-	-	-	(1,119)	-	(1,119)
Cebu, Teodora Arlene	25,025	-	-	-	25,025	-	25,025
Ceniza, Sergio	1,163	-	(1,545)	-	(382)	-	(382)
Cervantes-Poco, Maria Patricia	753	-	(930)	-	(177)	-	(177)
Chan, Gerard	800	-	-	-	800	-	800
Chanco, Christine R.	975	-	-	-	975	-	975
Chastein, Cherry P.	10,000	-	-	-	10,000	-	10,000
CHAVEZ, JAYSON	(85,615)	6,350	-	-	(79,265)	-	(79,265)
Chavez, Joel	8,707	198,937	(221,159)	-	(13,515)	-	(13,515)
CHAVEZ, MYCAH AMELITA	-	1,920	(1,920)	-	-	-	-
CHENG, ARNOLD	-	-	(890)	-	(890)	-	(890)
CHUA, RICK JOHN	-	8,160	(8,160)	-	-	-	-
Chua, Wilson	-	3,720	-	-	3,720	-	3,720
Cinco, Christine	-	100	(100)	-	-	-	-
CLARAVALL, MAYRAH ROSE	-	-	(636)	-	(636)	-	(636)
Clemente, Jellyn	1,254	-	-	-	1,254	-	1,254
CLERIGO, BERNARD	-	3,325	-	-	3,325	-	3,325
CO, JESSICA ANNE	-	1,127	(1,408)	-	(282)	-	(282)
CO, LEAH REBECCA C.	2,072	-	-	-	2,072	-	2,072
Coladilla, Marilyn	-	-	(681)	-	(681)	-	(681)
CONCHA, JHONALYN	-	5,507	-	-	5,507	-	5,507
Conde, Alita	393	-	(681)	-	(288)	-	(288)
Conde Jr., Francisco	1,581	-	-	-	1,581	-	1,581
Constantino, Michelle Anne	-	16,600	(8,300)	-	8,300	-	8,300
CORDOBA, ENRICO	-	572	(1,663)	-	(1,090)	-	(1,090)
Cordova, Maria Fleur	5,907	-	-	-	5,907	-	5,907
Coronejo, Rosemarie	-	14,402	-	-	14,402	-	14,402
Corpuz, Christina	1,748	-	-	-	1,748	-	1,748
Corpuz, Donn Christian	2,344	-	-	-	2,344	-	2,344
Cortez, Myrna	-	16,289	-	-	16,289	-	16,289
CORTEZ, SALVE REGINA	-	1,199	(2,044)	-	(845)	-	(845)
COTORNO, LORINE		1,361	-	-	1,361	-	1,361
CRUZ, ARIES	1,318	-	-	-	1,318	-	1,318
Cruz, Benjamin F.	2,000	-	-	-	2,000	-	2,000
Cruz, Bryan	1,500	-	-	-	1,500	-	1,500
Cruz, Eloisa G.	3,363	-	-	-	3,363	-	3,363
Cruz, Elvin	753	-	-	-	753	-	753
Cruz, Jayson	1,000	9,111	(4,353)	-	5,758	-	5,758
Cruz, Maria Eliza	-	518	(518)	-	-	-	-
Cruz, Maria Ruth M.	(37,500)	-	-	-	(37,500)	-	(37,500)
Cruz, Marites J.	8,552	-	-	-	8,552	-	8,552
CRUZ, NESTLY ANNE	-	4,088	(2,044)	-	2,044	-	2,044
Cruz, Rebecca S.	16,195	-	-	-	16,195	-	16,195
CRUZ, RICARDO	-	-	(318)	-	(318)	-	(318)
Cruz, Sandra Lyn	44,781	-	-	-	44,781	-	44,781
Cruz, Teresita	1,054	-	-	-	1,054	-	1,054
CUADRA, KURT	-	-	(1,363)	-	(1,363)	-	(1,363)
Cuario, Rishirl	(844)	-	-	-	(844)	-	(844)
Cuason, Willy	(636)	1,181	(1,181)	-	(636)	-	(636)
CUCIO, MARIA RITA	-	-	(776)	-	(776)	-	(776)
CUEVAS, CAROLYN	-	500	(500)	-	-	-	-
Cuevas, George	836	-	-	-	836	-	836
Cuibillas, Jorge	(8,400)	-	-	-	(8,400)	-	(8,400)
Culala, Harold John O.	(3,246)	-	-	-	(3,246)	-	(3,246)
Cunanan, Fernando M.	1,025	-	-	-	1,025	-	1,025
CUSTODIO, ,MARIE FRANCES	-	-	(536)	-	(536)	-	(536)
DACAYANAN, MARITES	-	24,922	(7,300)	-	17,622	-	17,622
Dagal, Keneth Adrian	(931)	-	-	-	(931)	-	(931)
Dagalangit, Rahabansa	1,908	-	-	-	1,908	-	1,908
DAGOHOY, FRANCISCO	-	681	(681)	-	-	-	-
Dalao, Joseph	-	591	(927)	-	(336)	-	(336)
Dalit, Alexandre	1,563	482	(482)	-	1,563	-	1,563
Dalton, Juanita	618	-	-	-	618	-	618
DANGARAN, SHARMAINE	-	4,088	(2,044)	-	2,044	-	2,044
DANOFRATA, JULIE	-	400	(400)	-	-	-	-
DAVID, JOSE ANGELO	-	-	(1,408)	-	(1,408)	-	(1,408)
Dayag, Kate Ashlyn	(1,525)	-	-	-	(1,525)	-	(1,525)
De Castro, Deo Lorenzo	-	-	(745)	-	(745)	-	(745)
DE CHAVEZ, AVELINO	-	-	(513)	-	(513)	-	(513)
De Guzman, Danielle	(776)	-	(354)	-	(1,130)	-	(1,130)
De Guzman, Guillerma	6,225	16,600	(12,912)	-	9,913	-	9,913
De Guzman, Jenny Ann	-	681	(681)	-	-	-	-
De Guzman, Jericho D.	8,460	-	-	-	8,460	-	8,460
De Jesus, Edilberto	101,186	109,368	(201,186)	-	9,368	-	9,368
DE JESUS, EUGENE	-	1,101	(872)	-	229	-	229
De Leon, Angelito	6,275	19,837	(17,812)	-	8,300	-	8,300
De Leon, Dino Robert	(1,499)	591	(990)	-	(1,899)	-	(1,899)
De Leon, Emma Rose H.	5,940	-	-	-	5,940	-	5,940

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Name and Designation of Debtor	*Balance at Beginning of Period*	*Additions*	*Deductions*		*Current*	*Non-Current*	*Balance at End of Period*
			Amounts Collected	*Amounts Written-Off*			
De Leon, Jocelyn	P -	P 177,294	P -	P -	P 177,294	P -	P 177,294
De Leon, Jocelyn E.	16,270	-	(27,550)	-	(11,280)	-	(11,280)
De Leon, John Angelo	728	-	(681)	-	47	-	47
De Leon, Lemuel	6,225	16,600	(14,525)	-	8,300	-	8,300
DE LEON, MARVIN	-	-	(1,317)	-	(1,317)	-	(1,317)
De Torres, Ana Maria Josefina	1,563	-	-	-	1,563	-	1,563
DE VEGA, NORIEGA	-	-	(2,044)	-	(2,044)	-	(2,044)
De Vera, Jose Rizalito	-	63,822	(31,537)	-	32,285	-	32,285
De Vera, Liorinda	-	12,361	-	-	12,361	-	12,361
DE VERA, MELVIN	-	3,434	(2,943)	-	491	-	491
DE VERA, MICHAEL	58,088	3,217	-	-	61,305	-	61,305
De Viana, Lorelei	12,227	45,171	(21,456)	-	35,941	-	35,941
DEL ROSARIO, JOHNCENT	-	663	(663)	-	-	-	-
Del Rosario, Julius	657	8,300	(4,150)	-	4,807	-	4,807
Del Rosario, Maria Theresa O.	1,458	28,153	(21,229)	-	8,382	-	8,382
Dela Cerna, Lyle	691	-	-	-	691	-	691
DELA CRUZ, ALMA EMERITA V	37,049	51,771	(20,343)	-	68,477	-	68,477
DELA CRUZ, MARICAR	-	-	(1,363)	-	(1,363)	-	(1,363)
DELA CRUZ, MARILAG	-	-	-	-	-	-	-
Dela Merced, Lorili Evangelista	-	-	-	-	-	-	-
Dela Paz, Erica Silk	-	681	(681)	-	-	-	-
Dela Paz, Rosalinda Z. - OLD	10,336	-	-	-	10,336	-	10,336
DELOS REYES, HERBERT	-	4,167	-	-	4,167	-	4,167
DELOS SANTOS, ANALYN	-	-	(809)	-	(809)	-	(809)
DELOS Santos, Cesael	3,113	-	-	-	3,113	-	3,113
DELOS SANTOS, MARY GRACE	-	-	(2,044)	-	(2,044)	-	(2,044)
Defensor, Marshal	979	-	-	-	979	-	979
Delgado, Emy	-	2,927	-	-	2,927	-	2,927
Delumen, Wilkie	(781)	-	-	-	(781)	-	(781)
DESPUIG, ARVIN JAMES	-	3,216	(1,608)	-	1,608	-	1,608
Destura, Blanca	900	14,768	-	-	15,668	-	15,668
Deveraturda, Joana Paula	(1,499)	-	-	-	(1,499)	-	(1,499)
Diaz, Fideliz	753	-	(930)	-	(177)	-	(177)
Diaz Jr., Reynaldo	3,113	27,452	(7,263)	-	23,302	-	23,302
DILLO, JIMMY JR	-	-	(1,108)	-	(1,108)	-	(1,108)
Dimalanta, Ma. Clarinda	-	2,728	(2,728)	-	-	-	-
Dimalibot, Ma. Martina Geraldine	2,127	-	-	-	2,127	-	2,127
Dimzon, Marnelli	4,150	8,300	(8,300)	-	4,150	-	4,150
Dionisio, Maricar	-	308,000	(112,000)	-	196,000	-	196,000
DISIMULACION, MARIA ARLENE	-	25,185	(8,125)	-	17,060	-	17,060
Dizon, Kenneth Earl I.	200	-	-	-	200	-	200
DIZON, RICARDO	-	-	(681)	-	(681)	-	(681)
DOBLE, FRANCISCO C	-	-	-	-	0	-	-
Doble, Jon Derek	130,800	-	-	-	130,800	-	130,800
DOCE, BRIAN	-	-	(171)	-	(171)	-	(171)
Doctor, Marites	1,381	-	-	-	1,381	-	1,381
Doctolero, Priscila	8,284	-	-	-	8,284	-	8,284
Dominado, Liezl	-	957	-	-	957	-	957
Domingo, Efren	(681)	-	-	-	(681)	-	(681)
Domingo, Jonas	1,254	-	-	-	1,254	-	1,254
Dominico, Ruby	-	1,195	(1,195)	-	-	-	-
DONESA, LYNN	-	336,000	(140,000)	-	196,000	-	196,000
Dorega, John John J	(938)	-	-	-	(938)	-	(938)
DUBLIN, MARIETTA	-	1,997	-	-	1,997	-	1,997
Ducut, Mirela	-	56,764	-	-	56,764	-	56,764
Dulay, Greg	20,157	56,000	-	-	76,157	-	76,157
Dulay, Sofronio	(268,898)	121,315	(432,842)	-	(580,425)	-	(580,425)
Dumbrique, Marcelo	21,165	-	-	-	21,165	-	21,165
DURAN, DEBBIE JIM	-	194	(194)	-	-	-	-
Dy, Alexander	1,090	-	-	-	1,090	-	1,090
Eboy, Shariff	1,254	-	-	-	1,254	-	1,254
Echauz, Lydia	16,320	-	-	-	16,320	-	16,320
ECO, KRISTAN KEITH	-	179	-	-	179	-	179
Edillon, Marcial	(1)	-	-	-	(1)	-	(1)
ELEPANO, MARK ANDREW	-	-	(1,363)	-	(1,363)	-	(1,363)
Elman, Mario B.	(1,800)	12,064	(1,727)	-	8,537	-	8,537
ELPUSAN, NEIL EVERETT	-	-	(500)	-	(500)	-	(500)
Embalsado Jr., Florencio	(806)	-	-	-	(806)	-	(806)
ENRIQUEZ, HELENDINA	848	-	-	-	848	-	848
Enriquez, Judee Anne	1,563	-	-	-	1,563	-	1,563
ESCARAMAN, ELAINE R	-	2,458	-	-	2,458	-	2,458
ESCOBIA, IRMA	(20,777)	-	-	-	(20,777)	-	(20,777)
ESCOBIA, JAIME	1,305	-	-	-	1,305	-	1,305
Eser, Myline S.	33,036	-	-	-	33,036	-	33,036
ESGUERRA, NINA RICA	3,438	-	(3,438)	-	-	-	-
Espinosa, Aldrine Jay	2,756	-	-	-	2,756	-	2,756
Espinosa, William V.	3,325	-	-	-	3,325	-	3,325
Esquibel, Brian	4,596	-	-	-	4,596	-	4,596
Esquibel, Elizabeth	5,000	-	-	-	5,000	-	5,000
ESTEBAN, FRANCIZ	-	-	(819)	-	(819)	-	(819)

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Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions: Amounts Collected	Deductions: Amounts Written-Off	Current	Non-Current	Balance at End of Period
Estrada, Gemee	P 1,500	P -	P	P -	P 1,500	P -	P 1,500
Estrada, Ron Ed	3,113	8,300	(7,263)	-	4,150	-	4,150
Estrella, Gloria R.	1,460	-	-	-	1,460	-	1,460
Estrella, Luisito	6,225	21,359	(12,450)	-	15,134	-	15,134
Estrope, Basilisa	(10,289)	-	-	-	(10,289)	-	(10,289)
Evangelista, Erika	17,375	-	-	-	17,375	-	17,375
EVIZA, ALYSSA FAYE R	-	2,320	-	-	2,320	-	2,320
Fabros, Marietta	5,296	-	-	-	5,296	-	5,296
Falcis III, Jesus	1,272	-	-	-	1,272	-	1,272
Farolan, Mikhail E.	1,275	-	-	-	1,275	-	1,275
Faundo, Aurora L.	3,971	-	-	-	3,971	-	3,971
FEDERIZO, RYAN JOHN	-	987	(987)	-	-	-	-
FELICILDA, JOSHUA	-	-	(1,363)	-	(1,363)	-	(1,363)
FELIPE, PATRICK JULIUS	-	29,234	(10,963)	-	18,272	-	18,272
Ferreras, Alejandro	1,118	-	-	-	1,118	-	1,118
Fesalbon, Hermond F.	7,729	-	-	-	7,729	-	7,729
Fiesta, Erlinda	994	-	-	-	994	-	994
Figer, Reggy C.	24,300	-	-	-	24,300	-	24,300
FILOTEO, JOYCELYN	-	24,972	(14,097)	-	10,875	-	10,875
FLORENDO, JOSEFINA	-	-	(269,176)	-	(269,176)	-	(269,176)
FLORENTINO, NESTLE M	-	14,617	(7,309)	-	7,309	-	7,309
Flores, Eunice	2,344	318	(430)	-	2,232	-	2,232
Flores, Miguela	2,802	-	-	-	2,802	-	2,802
Flores, Roberto	3,113	8,300	(7,263)	-	4,150	-	4,150
FLORES, RODANTE	-	681	(681)	-	-	-	-
FLORIDA, JENNIFER	38,769	15,229	(18,908)	-	35,091	-	35,091
FOLLO, DENNIS	-	681	(681)	-	-	-	-
FORONDA, ALEXIS	-	463	(463)	-	-	-	-
Francisco, Edgar	2,126	-	(168)	-	1,958	-	1,958
Francisco, Virlyn	1,581	-	-	-	1,581	-	1,581
Fulgar III, Ildefonso	(116)	4,590	-	-	4,474	-	4,474
Gabon, Danilo	6,225	-	(6,225)	-	-	-	-
Galang Jr., Romeo	(540)	-	-	-	(540)	-	(540)
Galicia, Reynaldo	4,000	-	-	-	4,000	-	4,000
Galiza, Miguela S.	45,000	-	-	-	45,000	-	45,000
Gallardo, Armenio	1,199	-	-	-	1,199	-	1,199
Gallardo, John	13,000	-	-	-	13,000	-	13,000
GAMOLO, MARIA GIA G.	-	28,800	(28,800)	-	-	-	-
Gan, Louwie	-	-	(681)	-	(681)	-	(681)
Ganchoon, Fretti	600	-	(1,445)	-	(845)	-	(845)
GANIBE, JUCELE	-	-	(600)	-	(600)	-	(600)
Ganzon, John Julius	2,419	-	-	-	2,419	-	2,419
Garcia, Arvin	(5,000)	3,554	(335,974)	-	(337,420)	-	(337,420)
Garcia, Dolores	50,000	-	-	-	50,000	-	50,000
Garcia, Earl Jimson R.	6,000	-	-	-	6,000	-	6,000
GARCIA, GINO RAY	-	-	(627)	-	(627)	-	(627)
GARCIA, MERRIE CAROLYNE M.	-	48,558	(41,600)	-	6,958	-	6,958
GARCIA, MIGUEL	-	-	(1,063)	-	(1,063)	-	(1,063)
Garcia, Muriel	3,113	8,300	(7,263)	-	4,150	-	4,150
Garcia, Mylene	(531)	-	-	-	(531)	-	(531)
Garcia, Jr., Santiago L	-	-	(21,059)	-	(21,059)	-	(21,059)
Garcia, Severino M.	320	-		-	320	-	320
GARCIA-DANDAN, MARIA ARA	-	-	(1,499)	-	(1,499)	-	(1,499)
Gariguez, Mariflor N.	10,591	-	-	-	10,591	-	10,591
Garmsen, David Joash	(536)	-	-	-	(536)	-	(536)
Gaspillo, Rudy	5,613	-	-	-	5,613	-	5,613
GATARIN, GINA	-	1,681	(1,681)	-	-	-	-
Gatcho, Manuel	981	591	(1,081)	-	491	-	491
Gavieta, Rommel	-	1,272	(2,110)	-	(838)	-	(838)
GELLA, FREDERICK S	-	236	-	-	236	-	236
GENILO, JOSE EDUARDO	-	1,127	(1,863)	-	(736)	-	(736)
Geocaniga, Rommel	1,454	-	(1,163)	-	291	-	291
Gilera, Enrico	28,860	152,967	(22,622)	-	159,204	-	159,204
GOMEZ, RAYMUND	-	-	(1,863)	-	(1,863)	-	(1,863)
Gonzales Jr., Benedicto	1,054	-	-	-	1,054	-	1,054
Gonzales, Emmanuel	-	49,167	(20,000)	-	29,167	-	29,167
Gonzales, Jayson	4,150	8,300	(8,300)	-	4,150	-	4,150
Gonzales, Julieta	(473)	681	-	-	209	-	209
Gonzales Jr., Manolito	3,113	8,300	(7,263)	-	4,150	-	4,150
GONZALEZ, Aurelle Marie	(906)	-	-	-	(906)	-	(906)
Gonzales Jr. Benedicto	(854)	-	-	-	(854)	-	(854)
Gonzales, Brian Benedict	(536)	-	-	-	(536)	-	(536)
GONZALES, EMMANUEL	-	26,235	(29,167)	-	(2,932)	-	(2,932)
GONZALES, JULIETA	-	-	(681)	-	(681)	-	(681)
Gorospe, Rene	1,163	-	-	-	1,163	-	1,163
Grasparil, James Andrew	-	8,446	(8,446)	-	-	-	0
GREGORIO, JOEL EMERSON	-	1,954	(2,044)	-	(91)	-	(91)
Gregorio, Karen	2,344	-	-	-	2,344	-	2,344
Guariño, Rebecca	-	14,939	(228,238)	-	(213,298)	-	(213,298)
Gudani, Vicente C	(2,300)	-	-	-	(2,300)	-	(2,300)

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Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions: Amounts Collected	Deductions: Amounts Written-Off	Current	Non-Current	Balance at End of Period
Guevarra, Dorvin	P -	P 14,454	(P 14,454)	P -	P -	P -	P -
Guevarra, Remedios	956	-	-	-	956	-	956
Guillermo, Nemesio	5,512	-	-	-	5,512	-	5,512
Guillermo, Odranreb	-	-	(337)	-	(337)	-	(337)
Gumanay, Lyka Marie	(400)	681	(681)	-	(400)	-	(400)
Gutierez, Jan Patrick	(531)	-	-	-	(531)	-	(531)
Gutierrez, Maria Myrel P.	3,844	-	-	-	3,844	-	3,844
Gutierrez, Mary Victory	-	204,629	(56,000)	-	148,629	-	148,629
GUTIERREZ, RONALDO	-	-	(1,499)	-	(1,499)	-	(1,499)
Haciñas, Elizabeth	-	60,156	(15,866)	-	44,290	-	44,290
HAGOSOJOS, BERNARDINO	-	4,088	(2,044)	-	2,044	-	2,044
Halcon, Frederick	(3,000)	-	-	-	(3,000)	-	(3,000)
Halili, Mercyden	(400)	-	-	-	(400)	-	(400)
Hamero, Roselyn	3,113	8,300	(7,263)	-	4,150	-	4,150
Hebron, Daniel Eufracio	-	681	-	-	681	-	681
Hernandez, Jan Joseph S.	24,023	8,300	(7,263)	-	25,061	-	25,061
Hernandez, Paul	(869)	-	-	-	(869)	-	(869)
Herrera, Michael	(2,122)	-	(930)	-	(3,053)	-	(3,053)
Hilario, Jacqueline E.	1,124	-	-	-	1,124	-	1,124
Hiso, Christopher John B	-	391	-	-	391	-	391
HOCSON, SHEILA MARIE	2,445	-	(2,445)	-	-	-	-
HONTIVEROS, RYAN	-	336	(999)	-	(663)	-	(663)
Hsu, Hao Wei	-	-	(6,500)	-	(6,500)	-	(6,500)
HUELAR, MARIA CORAZON	-	681	(681)	-	-	-	-
HYATT, JANETH	-	4,088	(2,044)	-	2,044	-	2,044
Ibarra, Jose Vener	753	-	(830)	-	(77)	-	(77)
Ignacio, Louie Benedict	(400)	500	(500)	-	(400)	-	(400)
Ignacio, Lourdes D.	(132)	-	-	-	(132)	-	(132)
Ignalaga Jr., Francisco	1,090	-	-	-	1,090	-	1,090
Inciong, Cherry Wyne	4,190	25,302	(15,000)	-	14,492	-	14,492
Ingles, Ignatius Michael	-	-	(3,126)	-	(3,126)	-	(3,126)
Inocencio, Ma. Fe R.	-	32,803	(32,000)	-	803	-	803
ISIDRO JR., NARCISO	-	1,588	(1,588)	-	-	-	-
ISON, MARY ROSE	-	21,397	(6,225)	-	15,172	-	15,172
JABEGUERO, HILARIO	-	4,635	(1,920)	-	2,715	-	2,715
JABOLA, JEDDAHLYN	-	2,396	-	-	2,396	-	2,396
Jacinto, Archie	-	500	(500)	-	-	-	-
Janagap, Fe Q.	5,131	-	-	-	5,131	-	5,131
Javier, Nancy Joan	5,296	-	-	-	5,296	-	5,296
JONSON, ANNA PAMELA	-	5,444	(1,375)	-	4,069	-	4,069
Jorda, Erwin	2,038	-	-	-	2,038	-	2,038
Joromal, Richmond	2,250	-	-	-	2,250	-	2,250
Jose, Angelina	544,689	760,793	(1,257,119)	-	48,362	-	48,362
Jumamil, Ana Nelia	(531)	728	(728)	-	(531)	-	(531)
Jumawan, Ferdinand Lou	6,225	-	(6,225)	-	-	-	-
Jumrani, Aliakhbar	109	-	(1,472)	-	(1,363)	-	(1,363)
Junio, Jobeth	(16,002)	-	-	-	(16,002)	-	(16,002)
Junio, Nenitha	240	958	-	-	1,198	-	1,198
Kenny, Isabel	64,000	-	-	-	64,000	-	64,000
KILAKIGA, EDWARD	-	73,523	(28,226)	-	45,297	-	45,297
Kim, Chul Su	(96)	-	-	-	(96)	-	(96)
Kliatchko, John Manuel	(781)	-	-	-	(781)	-	(781)
Kuan, Robert	866,006	678,673	(1,576,275)	-	(31,596)	-	(31,596)
LABAJO, PAOLA	-	1,127	(1,408)	-	(282)	-	(282)
Lacaden, Raffy	(881)	308,681	(28,681)	-	279,119	-	279,119
Lacanilao, Gary	375	-	-	-	375	-	375
LACUATA, FERDINAND	-	681	(681)	-	-	-	-
Ladera, Renville	-	20,023	-	-	20,023	-	20,023
LAJA, KRISELLE JOY R	-	29,234	(13,017)	-	16,217	-	16,217
Lajara, Galilea R.	3,600	-	-	-	3,600	-	3,600
LAMEYRA, ERICSON	-	-	(1,880)	-	(1,880)	-	(1,880)
Lamorena, Juditha M.	1,136	-	-	-	1,136	-	1,136
LANDINGIN, JOHN GIL	-	-	(545)	-	(545)	-	(545)
Lansang Jr., Nicolas	(776)	679	-	-	(97)	-	(97)
Lantican, Mark Lixcel	-	308,000	(252,000)	-	56,000	-	56,000
Lapastora, Milagros	-	5,184	(5,184)	-	-	-	-
Lapastora, Milagros - OLD	2,072	1,538	-	-	3,610	-	3,610
Larano, Leonora	-	1,507	(1,507)	-	-	-	-
LARDA, EDMUNDO	1,294	-	-	-	1,294	-	1,294
Lascota, Karen	300	-	-	-	300	-	300
Las Pinas, Mary Grace	92,017	865	(1,425)	-	91,457	-	91,457
Lauro, Jocelyn	-	22,585	-	-	22,585	-	22,585
Lauzon, Nicolas	(548)	-	-	-	(548)	-	(548)
Laxamana, Rachel	-	18,710	-	-	18,710	-	18,710
Laza, Benilda	-	548	-	-	548	-	548
LAZO, REYMARK	-	2,562	(1,281)	-	1,281	-	1,281
LECAROZ JR, F - Laurent	-	182,446	(124,322)	-	58,124	-	58,124
Lee, Chang Woo	3,113	8,300	(3,113)	-	8,300	-	8,300
LEE, NESTOR	-	17,921	(154,895)	-	(136,975)	-	(136,975)
LENGSON, MARIA OLIVIA	-	-	(681)	-	(681)	-	(681)

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Name and Designation of Debtor	Balance at Beginning of Period	Additions	Deductions: Amounts Collected	Deductions: Amounts Written-Off	Current	Non-Current	Balance at End of Period
Leonardo, Raul	P 3,738	P -	P -	P -	P 3,738	P -	P 3,738
Lewis, Salome	-	681	(681)	-	-	-	-
Libante, Karl Nikko	-	-	(645)	-	(645)	-	(645)
Liberato, Amante	1,272	-	-	-	1,272	-	1,272
LICOP, ANNA PAULINE	-	53,575	(32,130)	-	21,445	-	21,445
Liggayu, Michael	-	20,239	-	-	20,239	-	20,239
Lim, Mary Rocelyn	(1,937)	-	(377)	-	(2,314)	-	(2,314)
Lim, Nathaniel	149	-	-	-	149	-	149
Lim, Rene Rose	-	51,840	(2,725)	-	49,115	-	49,115
Lim, Richmond	(906)	-	-	-	(906)	-	(906)
Limjap, Auxencia	(4,461)	23,070	(22,825)	-	(4,217)	-	(4,217)
Limkian, Mary Ann	2,419	-	-	-	2,419	-	2,419
LIMON, MIGUEL ANTONIO	-	418	(418)	-	-	-	-
Lindo, Alicia	1,209	-	-	-	1,209	-	1,209
LINTAG, GRACIEL	-	199,643	(56,000)	-	143,643	-	143,643
LIRIO, CHRISTOPHER	-	205	(484)	-	(278)	-	(278)
Lirio, Mary Rose	2,344	-	-	-	2,344	-	2,344
Liwanag, Marichu	-	-	-	-	-	-	-
Lizada, Hannah	1,581	-	-	-	1,581	-	1,581
Llacuna, john Lemuel	1,272	-	-	-	1,272	-	1,272
Lluz, Samarlita	5,192	-	-	-	5,192	-	5,192
Loanzon, Victoria	981	-	-	-	981	-	981
LONTOC, DON JONSON	-	-	(327)	-	(327)	-	(327)
Lopena, Cleo	362	-	-	-	362	-	362
LOPEZ, ANASTACIO	-	2,230	(2,230)	-	-	-	-
LOPEZ, JOMELYN	-	10,000	-	-	10,000	-	10,000
Lopez, Martin Z.	60,958	-	-	-	60,958	-	60,958
Lopez Jr., Renato	423	-	-	-	423	-	423
Lopez, Ricardo	0	262	-	-	262	-	262
Loresco, Julie Ann	1,853	-	-	-	1,853	-	1,853
Lozano, Jennete J	-	2,289	-	-	2,289	-	2,289
Lumacad, Jonathan	2,344	-	-	-	2,344	-	2,344
LUNA, GINA	-	10,771	-	-	10,771	-	10,771
MAALA, ALEXCEE	-	-	(2,044)	-	(2,044)	-	(2,044)
Macapagal, Arnualdo	-	99,171	(58,974)	-	40,198	-	40,198
Macapinlac, Joven	(806)	-	-	-	(806)	-	(806)
Macaraeg, Paul - OLD	6,436	-	-	-	6,436	-	6,436
Macaraig, Melinda	4,849	-	-	-	4,849	-	4,849
Macasaet, Grace Minerva	-	13,946	(1,217)	-	12,729	-	12,729
Macaspac, John Aries	1,054	-	-	-	1,054	-	1,054
Madeja, Samuel M.	-	1,685	-	-	1,685	-	1,685
Madrazo, Arnel	(400)	-	-	-	(400)	-	(400)
Madriaga, Joventina	-	10,370	(2,094)	-	8,276	-	8,276
MAGALONA, HENRY	-	-	(1,254)	-	(1,254)	-	(1,254)
Magat, Wendell	1,450	2,900	(1,450)	-	2,900	-	2,900
Magbujos, Mary Rose	(197)	-	-	-	(197)	-	(197)
Magdalaga, Luffe V.	-	8,300	(4,150)	-	4,150	-	4,150
MAGKASI, MA. ELIZA MARGARITA	20,334	159,712	(139,812)	-	40,233	-	40,233
Magpantay, Lorna	2,238	-	-	-	2,238	-	2,238
MAGSINO, RIZA	-	554	(1,835)	-	(1,281)	-	(1,281)
Magumun, Van Angelo	1,908	-	-	-	1,908	-	1,908
Malabanan, Laila	-	-	(518)	-	(518)	-	(518)
MALABI, NADIA	-	-	(1,363)	-	(1,363)	-	(1,363)
Malagar, Marlo	(600)	-	(1,090)	-	(1,690)	-	(1,690)
Maliwat, Herminia	14,373	-	-	-	14,373	-	14,373
Mallari, Felipe	-	318	(318)	-	-	-	-
Mallari, Mary Anne	2,235	-	-	-	2,235	-	2,235
Mallari, Roel	-	1,375	-	-	1,375	-	1,375
Malonzo, Ella Margarita	2,104	-	-	-	2,104	-	2,104
Malonzo, John	-	1,363	(1,363)	-	-	-	-
Mamaradlo, Leo	(582)	-	-	-	(582)	-	(582)
MAñALAC, ELISA	39,530	294,110	(82,022)	-	251,618	-	251,618
Manalastas, Ma Barbara C	-	391	-	-	391	-	391
Manalili, Burton	-	11,520	(11,520)	-	-	-	-
MANANSALA, LORRAINE CHARMAYNE	-	2,126	(1,063)	-	1,063	-	1,063
MANAOIS, MARIO	3,636	-	-	-	3,636	-	3,636
MANAPSAL, JENNYLIN	-	-	(5,144)	-	(5,144)	-	(5,144)
Mance, Marilyn	909	-	(830)	-	78	-	78
Mandapat, Raymond	1,908	-		-	1,908	-	1,908
MANGARAN, MON KARLO	-	25,449	(23,732)	-	1,717	-	1,717
Mangente, Myra	-	-	(830)	-	(830)	-	(830)
Manlapaz, Divine Grace - OLD	5,000	-	-	-	5,000	-	5,000
Manongsong, Marie Joyce	909	-	-	-	909	-	909
Manrique, Elenita - OLD	17,000	-	-	-	17,000	-	17,000
Mansueto, christian Michael	654	-	-	-	654	-	654
Manuel, Ma Rowena	-	7,202	(7,202)	-	-	-	-
Manzano, Ronald	14,583	35,695	(39,832)	-	10,447	-	10,447
Marcelino, Ariel	-	2,298	(2,298)	-	-	-	-
Marcelo, Teresita	-	138	-	-	138	-	138
Marcial, Johnny	390	-	-	-	390	-	390

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Name and Designation of Debtor	*Balance at Beginning of Period*	*Additions*	*Deductions*		*Current*	*Non-Current*	*Balance at End of Period*
			Amounts Collected	*Amounts Written-Off*			
MARCIAL, MARIDEL	P 1,086	P -	P -	P -	P 1,086	P -	P 1,086
MARIANO, ANNALISA	-	-	(681)	-	(681)	-	(681)
Mariano, Maria Lourdes	-	108,233	(45,000)	-	63,233	-	63,233
Mariñas, Luzviminda	6,225	2,900	(6,225)	-	2,900	-	2,900
Mariscotes, Maria Norlinda	-	13,917	(12,050)	-	1,866	-	1,866
MAROLLANO, CARMELO	-	30,186	(31,549)	-	(1,363)	-	(1,363)
Marquez, Maria Gwendolyn	-	-	(830)	-	(830)	-	(830)
Martin, Grace	116	-	-	-	116	-	116
Martin, Romeo	1,799	-	-	-	1,799	-	1,799
Martinez, Jocelyn	-	2,959	(2,000)	-	959	-	959
Martinez, Maria Teresa	1,506	-	-	-	1,506	-	1,506
Masa, Jan Racky	-	645	(645)	-	-	-	-
MASANGYA, RAYMART	-	-	(1,363)	-	(1,363)	-	(1,363)
Medina, Buenaventura Jr. S.	1,050	-	-	-	1,050	-	1,050
Medina, Joy	3,462	-	-	-	3,462	-	3,462
MEDINA, RANNIE	-	3,625	(954)	-	2,671	-	2,671
MELANO, REYNO	-	75,014	-	-	75,014	-	75,014
Membrebe Jr., Zosimo	(509)	-	-	-	(509)	-	(509)
Mendez, Frances Nicola	(553)	-	(1,008)	-	(1,561)	-	(1,561)
Mendoza, Catherine	10,080	-	-	-	10,080	-	10,080
Mendoza, Ferdinand	(315)	-	-	-	(315)	-	(315)
Mendoza, Gloria	-	6,218	-	-	6,218	-	6,218
Mendoza, Jobert	10,000	-	-	-	10,000	-	10,000
Mendoza, Malaya S.	1,478	-	-	-	1,478	-	1,478
Mendoza, Malaya	6,172	-	-	-	6,172	-	6,172
Mendoza, Norberto	-	16,235	(2,848)	-	13,387	-	13,387
Mendoza. Rachel	582	-	-	-	582	-	582
Mendoza. Raquel	-	681	(681)	-	-	-	-
Menez, Karren	-	1,605	-	-	1,605	-	1,605
Menorca, Joderick	(2,181)	-	-	-	(2,181)	-	(2,181)
MERCADO, JOY	-	-	(591)	-	(591)	-	(591)
Mercado, Ryan Christian	-	308,000	(168,000)	-	140,000	-	140,000
Mesina, Karen	(4,000)	-	-	-	(4,000)	-	(4,000)
Miano, Mary Jane P.		8,300	(2,075)	-	6,225	-	6,225
Miguel, Emmanuel - OLD	6,620	-	-	-	6,620	-	6,620
Milagrosa, Alexander	4,150	8,300	(8,300)	-	4,150	-	4,150
MILANO, AMEERAH	-	-	(1,181)	-	(1,181)	-	(1,181)
MILLEVO, RONNIE	-	536	(536)	-	-	-	-
Miñas, Geraldine C.	-	4,031	-	-	4,031	-	4,031
Miñas, Sherwin	-	-	4,288	-	4,288	-	4,288
MINA, MARIA CORAZON H.	2,835	-	(2,835)	-	-	-	-
Miranda, Jack Andrew	200	-	(1,085)	-	(885)	-	(885)
MIRANDILLA, CHARMAINE	-	999	(999)	-	-	-	-
Molate, Marie Locelle M.	(923)	-	-	-	(923)	-	(923)
Molina, Mark Oliver	271,125	16,600	(12,450)	-	275,275	-	275,275
Molina, Mark Oliver P.	(3,123)	-	(2,075)	-	(5,198)	-	(5,198)
Moneza, Bethlehem	(1,363)	-	-	-	(1,363)	-	(1,363)
Monfero, Rowena	4,956	-	-	-	4,956	-	4,956
Monong, Cora - OLD	6,000	-	-	-	6,000	-	6,000
Monsod, Katrina Diane	3,926	-	(491)	-	3,435	-	3,435
Montano, Moses M.	942	-	-	-	942	-	942
MONTEMAYOR, LAARNI	-	4,088	(2,044)	-	2,044	-	2,044
Montinola, Antonio	115,680	100,000	(200,000)	-	15,680	-	15,680
Montinola, Aurelio	151,453	269,738	(294,397)	-	126,793	-	126,793
Montinola, Gianna	9,075	355,667	(128,412)	-	236,331	-	236,331
Montinola, Juan Miguel R.	112,218	779,899	(512,777)	-	379,341	-	379,341
Montinola, Juan Miguel R.	(57,709)	-	-	-	(57,709)	-	(57,709)
MONTINOLA, LOURDES R.	100,000	100,000	(200,000)	-	-	-	-
MORADA, NOREENA	-	-	(1,363)	-	(1,363)	-	(1,363)
MORAGA, MELVIN	-	-	(750)	-	(750)	-	(750)
MORAN, ZACARIAS	-	1,290	(1,717)	-	(427)	-	(427)
Morante, Kathleen	(318)	-	-	-	(318)	-	(318)
MORENA, JOMAR	-	1,738	(1,738)	-	-	-	-
MORTOS, ANGELINA	-	-	(200)	-	(200)	-	(200)
Munson, Don	-	2,567	-	-	2,567	-	2,567
Muria, Ramel	1,002	-	(2,120)	-	(1,119)	-	(1,119)
MUSNGI, AUDREY	-	1,490	(1,490)	-	-	-	-
Nagal, Glenn Z.	(44,563)	54,103	(24,097)	-	(14,556)	-	(14,556)
Napoles, Myra	1,690	-	-	-	1,690	-	1,690
Narciso, Wilfreda - OLD	5,296	-	-	-	5,296	-	5,296
NARDO, MA. ANTONIA	-	5,000	(5,000)	-	-	-	-
Narval, Antonio G.	6,225	22,907	(23,232)	-	5,900	-	5,900
Natera, Malvin - OLD	4,122	-	-	-	4,122	-	4,122
NATIVIDAD, REUBEN RAMIRO	-	9,202	(6,300)	-	2,902	-	2,902
Navarrete, Angelica	-	681	(681)	-	-	-	-
Navarro, Donnie Arth P.	4,900	-	-	-	4,900	-	4,900
Nebril, Jonathan	4,907	-	-	-	4,907	-	4,907
Neo, Helen Azor	-	1,717	-	-	1,717	-	1,717
NERIDA, CLARISSE MAE	-	40,000	-	-	40,000	-	40,000
NERY, LEO ANGELO	-	1,888	(21,874)	-	(19,986)	-	(19,986)

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Nicdao, Lazaro	P 1,200	P -	P -	P -	P 1,200	P -	P 1,200
Nicer, Joselito C.	320	-	-	-	320	-	320
Nicolas, Lloyd Mark	-	110,650	(41,975)	-	68,675	-	68,675
Nietes, Reymon - OLD	16,689	-	-	-	16,689	-	16,689
Nieto, Rowena	600	-	(600)	-	-	-	-
NIVALES, MAURIE LIZA	-	10,405	-	-	10,405	-	10,405
Nisperos, Dulce Marie	-	3,687	-	-	3,687	-	3,687
Noble, Gina	1,254	-	-	-	1,254	-	1,254
Nocellado, James	894	-	-	-	894	-	894
NOCOM, HANS CHESTER	-	-	(223)	-	(223)	-	(223)
Nocon, Christopher Rey	3,113	8,300	(4,150)	-	7,263	-	7,263
Nolido, Reginald	-	692	-	-	692	-	692
Nora, Jon Paolo	14,525	33,200	(31,125)	-	16,600	-	16,600
Nuqui, Romeo	(30,000)	49,850	(25,000)	-	(5,150)	-	(5,150)
NUESA, SHERISA P.	100,000	100,000	(200,000)	-	-	-	-
Nuestro, Mc Naicol Anthony	719	-	-	-	719	-	719
Nuestro, Sarah Joyce	11,032	-	-	-	11,032	-	11,032
Nuqui, Romeo	30,000	-	(15,000)	-	15,000	-	15,000
OBERAS, SALVADOR	-	-	(261)	-	(261)	-	(261)
OBMERGA, FRANCISCO	-	140,000	(70,000)	-	70,000	-	70,000
OCAMPO, RAMIL	-	200	(1,072)	-	(872)	-	(872)
OCAMPO, RYAN JASON	-	200	(600)	-	(400)	-	(400)
Ocampo, Walther	181	-	-	-	181	-	181
Ocampo, Wilfredo - OLD	1,150	-	-	-	1,150	-	1,150
OCTA, KENNEDY P	-	14,617	(7,309)	-	7,309	-	7,309
Ogot, Maria Kristina	166	-	-	-	166	-	166
Ojimba, Edmund	-	50,073	(35,395)	-	14,678	-	14,678
Olipany, Ruby	-	19,347	-	-	19,347	-	19,347
Olipas, Lorina - OLD	200	-	-	-	200	-	200
Oliver, Michael	3,113	8,300	(3,113)	-	8,300	-	8,300
Olivo, Shirley	(869)	-	-	-	(869)	-	(869)
Ona, Leonida	-	591	(591)	-	-	-	-
ONDEVILLA, MIEL KRISTIAN	-	47,086	-	-	47,086	-	47,086
Ong, Johnson	2,300	-	-	-	2,300	-	2,300
Ong, Paul	(2,300)	-	-	-	(2,300)	-	(2,300)
Orcullo, Eddieson	4,150	-	(4,150)	-	-	-	-
ORDIZ, LADY MAY P	-	7,200	(7,200)	-	-	-	-
Origen, Glaiza	(9,074)	-	-	-	(9,074)	-	(9,074)
Orillos, Emely B	-	1,781	-	-	1,781	-	1,781
ORMILON JR., ROGELIO C	-	65,148	(5,865)	-	59,283	-	59,283
ORMITA, LUZELLE	-	13,876	(10,276)	-	3,600	-	3,600
Orolfo, Teodora	988	-	-	-	988	-	988
Orozco, Glorina	-	13,553	-	-	13,553	-	13,553
Orozco, Jayson	1,908	-	-	-	1,908	-	1,908
Pabiton, Jose Marlon	(163)	-	(2,169)	-	(2,332)	-	(2,332)
Pacquing, Elizabeth	(1,200)	3,215	-	-	2,015	-	2,015
PADILLA, DAREN	-	-	(1,363)	-	(1,363)	-	(1,363)
Padilla, Maria Eleonor - OLD	1,431	-	-	-	1,431	-	1,431
Padual, Jennifer	-	13,168	-	-	13,168	-	13,168
Paguio, Carolina	11,583	-	-	-	11,583	-	11,583
Paguio, Floyd	111	-	-	-	111	-	111
Pahutan, Ludivinia	(531)	21,524	(11,015)	-	9,978	-	9,978
Pajuyo, Driselle	6,225	33,200	(22,825)	-	16,600	-	16,600
PALIS, FERNANDO	-	9,006	-	-	9,006	-	9,006
Pamilar, Ernesto F.	4,596	-	-	-	4,596	-	4,596
PAMITTAN JR., GENEROSO	72,531	196,000	(182,000)	-	86,531	-	86,531
Pancho, Fiachra Gil	618	-	-	-	618	-	618
PANELA, KAREN LEE V.	-	42,963	(681)	-	42,281	-	42,281
Pangan, Nielson	(1,954)	-	(1,172)	-	(3,126)	-	(3,126)
Panganiban, Carolina A.	8,340	-	-	-	8,340	-	8,340
PANGANIBAN, VICENTE	-	3,216	(1,608)	-	1,608	-	1,608
Pangilinan, Daisy	(844)	-	-	-	(844)	-	(844)
PANGILINAN, GENICE R	600	-	(600)	-	-	-	-
Panis, Kimberly Nicole	-	681	(681)	-	-	-	-
PANO, DIANA ABIGAIL	-	3,443	(1,408)	-	2,035	-	2,035
Pantas, Felix	-	6,171	(2,400)	-	3,771	-	3,771
Panzo, Salome U.	725	-	-	-	725	-	725
Papa, Adriano Jr.	5,500	-	-	-	5,500	-	5,500
Paraiso, Lourdes Oliva	-	1,242	(1,242)	-	-	-	-
Paraiso, Lourdes Oliva- OLD	84,848	2,022	-	-	86,869	-	86,869
Paras, Eugene	236	-	(1,163)	-	(927)	-	(927)
PARAS, PERCIVAL	-	-	(681)	-	(681)	-	(681)
Paras, Renato - OLD	50,000	-	-	-	50,000	-	50,000
Park, Bobae	-	8,300	(4,150)	-	4,150	-	4,150
Parrilla, Krizzia Mae	-	-	(409)	-	(409)	-	(409)
Pascua, Esperanza	1,908	-	-	-	1,908	-	1,908
Pascua, George	4,900	8,300	(4,150)	-	9,050	-	9,050
Pascua, Jennifer - OLD	45,628	200	-	-	45,828	-	45,828
Pascual, Danilo	9,175	-	-	-	9,175	-	9,175
Patadlas, Marie Grace	(1,119)	-	-	-	(1,119)	-	(1,119)

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Name and Designation of Debtor	*Balance at Beginning of Period*	*Additions*	*Deductions*		*Current*	*Non-Current*	*Balance at End of Period*
			Amounts Collected	*Amounts Written-Off*			
Patdu, Ivy	P -	P -	(P 415)	P -	(P 415)	P -	(P 415)
PATRIMONIO, MARY JEANNIE	-	39,303	-	-	39,303	-	39,303
PAUAL, MELBA	-	155	-	-	155	-	155
Paulo, Lorie May G.	-	-	(409)	-	(409)	-	(409)
Paz, Ellen	2,403	-	-	-	2,403	-	2,403
Paz, Emily C.	6,459	-	-	-	6,459	-	6,459
PAZ, JONALYN	-	-	(1,363)	-	(1,363)	-	(1,363)
Pe Benito, Galahad Richard	800	-	(999)	-	(200)	-	(200)
Pearson, Lou Dominic	57,664	-	-	-	57,664	-	57,664
PEDREGOSA, GLAIZA O	10,574	-	-	-	10,574	-	10,574
PEDRON, DIVINA	-	-	(2,317)	-	(2,317)	-	(2,317)
Pelias, Christopher	-	35,793	(2,039)	-	33,755	-	33,755
Pelino, Jolly	3,113	8,300	(7,263)	-	4,150	-	4,150
PENA, GIDEON	-	675	(2,214)	-	(1,539)	-	(1,539)
PENAFLOR, CHINETTE	-	500	(500)	-	-	-	-
Penarubia, Christopher	(5,660)	-	-	-	(5,660)	-	(5,660)
PERALTA, EDITHA	-	-	(409)	-	(409)	-	(409)
PEREDA, JACQUELINE	-	-	(1,880)	-	(1,880)	-	(1,880)
Perez, Angelito Rene	3,602	-	-	-	3,602	-	3,602
Perez, Hector	19,615	-	-	-	19,615	-	19,615
Permalino, Albert Emmanuel S.	7,061	-	-	-	7,061	-	7,061
PICADIZO, RAMON	938	-	-	-	938	-	938
Pidlaoan Jr., Antonio	-	10,803	-	-	10,803	-	10,803
PINEDA, ROBERT	-	7,239	-	-	7,239	-	7,239
PINEDA, RODOLFO	974	-	-	-	974	-	974
PIZARO, ARTHUR P.	-	100,000	(50,000)	-	50,000	-	50,000
POBLACION, SAMANTHA	-	-	(830)	-	(830)	-	(830)
Policarpio, Ma. Lourdes	-	9,786	(3,829)	-	5,958	-	5,958
Polido, Jelyca	6,225	49,800	(31,125)	-	24,900	-	24,900
Poquiz, Salvador	836	-		-	836	-	836
Prudencio, Philip	-	12,909	(4,471)	-	8,438	-	8,438
Publico, Hilario - OLD	5,377	-	-	-	5,377	-	5,377
Pulido, Dennis	2,344	-	-	-	2,344	-	2,344
Punzalan, Noel Oliver	-	-	(830)	-	(830)	-	(830)
Quan, Ryan Jeremiah	-	-	(999)	-	(999)	-	(999)
Querijero, Glen Hilario - OLD	5,000	-	-	-	5,000	-	5,000
Quesada, Suzette	2,344	-	-	-	2,344	-	2,344
Quijencio Jr., Wilfredo	(100)	-	-	-	(100)	-	(100)
Quines, Dante	-	3,801	(3,801)	-	-	-	0
Quines, Dante P.	300	1,598	-	-	1,898	-	1,898
Quintanar, Janeth - OLD	5,367	-	-	-	5,367	-	5,367
Quinto, Myrna	294,825	523,231	(194,406)	-	623,651	-	623,651
Quinto, Myrna	(2,635)	104,792	-	-	102,157	-	102,157
Quintos, Francez Ann	-	1,363	(1,363)	-	-	-	-
RABANG, RISA JENICA	1,140	-	-	-	1,140	-	1,140
RAMILO, RYAN	1,500	-	-	-	1,500	-	1,500
RAMIREZ, NEOFIDEL	-	-	(769)	-	(769)	-	(769)
Ramirez, Percival	-	1,066	-	-	1,066	-	1,066
Ramos, Bernadette	-	3,626	-	-	3,626	-	3,626
Ramos, Eduardo Teodoro	(750)	-	-	-	(750)	-	(750)
RAMOS, ERVIN	-	7,769	-	-	7,769	-	7,769
Ramos, Jona Anne	1,490	-	-	-	1,490	-	1,490
Ramos, Raymond Kenneth	(844)	-	-	-	(844)	-	(844)
Ramos, Rosemarie	18,385	36,815	(26,931)	-	28,269	-	28,269
RAMOS, TEODORICA	-	5,404	-	-	5,404	-	5,404
Rañola, Yves	6,141	-	-	-	6,141	-	6,141
Ranosa, Rasam Edel	-	649	(649)	-	-	-	-
Rapirap, Raquel	8,300	16,600	(22,825)	-	2,075	-	2,075
Rapirap, Raquel T.	27,925	-	-	-	27,925	-	27,925
Raquid, Jillian	-	1,072	(1,072)	-	-	-	-
Razon, Benedict E.	975	651	-	-	1,626	-	1,626
Rebosa, Antonio	59	-	(377)	-	(318)	-	(318)
Regidor, Marilou A.	-	8,300	(4,150)	-	4,150	-	4,150
REGONDOLA, EMELITA	-	693	(693)	-	-	-	-
Regudo, Heidi K.	1,875	-	-	-	1,875	-	1,875
Relente, Miguelito	(7,850)	-	-	-	(7,850)	-	(7,850)
Relucio, Stephanie	1,908	-	-	-	1,908	-	1,908
REMIENDO, NORA LIZA	-	2,281	-	-	2,281	-	2,281
REQUIDAN, JEROME	-	56,000	-	-	56,000	-	56,000
Reoperez, Marie Grace	10,632	-	-	-	10,632	-	10,632
Reoperez, Marie Grace	34,816	-	-	-	34,816	-	34,816
Retoriano, Kerfelcel	580	-	-	-	580	-	580
Retuerma, Vanessa	750	-	-	-	750	-	750
RETUYA, RITZELL	-	537	(537)	-	-	-	-
Rey, Noel Dennis Antonio	(536)	636	(636)	-	(536)	-	(536)
Reyes, Cecil	(270)	-	-	-	(270)	-	(270)
Reyes, Herbert- OLD	4,555	-	-	-	4,555	-	4,555
REYES, JASON	-	4,088	(2,044)	-	2,044	-	2,044
Reyes, Ma. Editha	800	43,313	(6,281)	-	37,832	-	37,832
Reyes, Marlen	2,235	29,234	-	-	31,469	-	31,469

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			Amounts Collected	Amounts Written-Off			
Reyes, Maria Fleur de liz	P -	P -	(P 5,907)	P -	(P 5,907)	P -	(P 5,907)
Reyes, Maria Veronica	8,700	-	(8,700)	-	-	-	-
REYES, MARVIN	-	-	(513)	-	(513)	-	(513)
Reyes, Melodia S.	(609)	25,029	(12,450)	-	11,970	-	11,970
Reyes, Mercedes	13,067	-	-	-	13,067	-	13,067
Reyes, Oliver Xavier	-	-	(454)	-	(454)	-	(454)
Reyes, Richard Glenn	1,600	-	(7,081)	-	(5,481)	-	(5,481)
Reyes, Robert	2,344	-	-	-	2,344	-	2,344
Reyes, Rowena	-	37,836	(7,309)	-	30,527	-	30,527
REYES, RYAN FRANCIS	-	645	(645)	-	-	-	-
REYNOSO, LINO	-	-	(553)	-	(553)	-	(553)
RICAFORT, LINA MARIE	-	681	(681)	-	-	-	-
RICAFRENTE, MARK IVAN	-	-	(1,363)	-	(1,363)	-	(1,363)
Riego, James bRyan	-	12,230	-	-	12,230	-	12,230
Riguera, Manuel	(963)	-	(1,272)	-	(2,235)	-	(2,235)
Rimano, Joy	3,850	-	-	-	3,850	-	3,850
Rio, Rommel Marvin	(591)	-	-	-	(591)	-	(591)
Ritualo III, Servillano	1,663	-	-	-	1,663	-	1,663
RIVERA, VANESSA	-	927	(927)	-	-	-	-
Rivera, Vim Kiester	-	591	(591)	-	-	-	-
Roces, Carolina	26,858	-	(26,858)	-	-	-	0
ROJO, JANE CATHERINE	-	2,226	(2,226)	-	-	-	-
Roma, Dominic	1,581	-	-	-	1,581	-	1,581
Rondaris, Mary Ann	1,363	-	-	-	1,363	-	1,363
Rosal, Josefina	-	3,713	-	-	3,713	-	3,713
Rosal, Josefina T.	1,000	-	-	-	1,000	-	1,000
Rosales, Alvin	-	2,319	(2,319)	-	-	-	-
Rubio, Marisa	-	27,455	(511)	-	26,944	-	26,944
RUIZ, CAESAR FRANZ	-	-	(1,363)	-	(1,363)	-	(1,363)
Rufo, Rowena	(1,119)	49,940	(19,862)	-	28,959	-	28,959
SABADO, ELMER	-	4,246	-	-	4,246	-	4,246
SABADO, SUSAN	-	981	(981)	-	-	-	-
SACUEZA, APRIL GRACE M.	-	168,000	(112,000)	-	56,000	-	56,000
SACLAYAN, SAM KEVIN	-	-	(318)	-	(318)	-	(318)
Sagun, Jose Arnold C.	1,063	-	-	-	1,063	-	1,063
SALAMAT, JAYVIE PAULO M.	3,360	-	(3,360)	-	-	-	-
Salcedo, Rosanna	26,434	72,853	(99,280)	-	6	-	6
Salcedo, Vera Shayne	909	-	(1,336)	-	(427)	-	(427)
SALDANA, JOSELITO	-	11,972	-	-	11,972	-	11,972
Salgado, Ronnie Leon	1,930	-	-	-	1,930	-	1,930
SALIK, SITTIE	-	-	(1,009)	-	(1,009)	-	(1,009)
Salise, Percival	1,613	-	-	-	1,613	-	1,613
Salles, Karen	2,344	-	-	-	2,344	-	2,344
SALLOMAN, PHILIP	82	-	-	-	82	-	82
Saloma, Hershe Fe	-	-	(681)	-	(681)	-	(681)
Salunga, Loida - OLD	14,961	-	-	-	14,961	-	14,961
Salustiano, Rosalinda	1,663	-	(681)	-	981	-	981
Salvado, Rowena- OLD	22,160	-	-	-	22,160	-	22,160
Sambitan, Kelsey	-	681	(681)	-	-	-	-
Sampan, Melodia	-	96	-	-	96	-	96
Samson, Jaypee	(981)	-	-	-	(981)	-	(981)
Samson, Leylani	(10)	280,000	(112,000)	-	167,990	-	167,990
Samson, Ronald	(454)	-	-	-	(454)	-	(454)
SAN DIEGO, Immanuel	-	13,841	(57,830)	-	(43,990)	-	(43,990)
San Diego, Immanuel	300	-	-	-	300	-	300
San Gregorio, Randell	(6,188)	8,300	(7,263)	-	(5,150)	-	(5,150)
San Mateo, Andres Ignacio	-	200	(300)	-	(100)	-	(100)
SANALILA, CHRISTOPHER	-	536	(1,317)	-	(781)	-	(781)
Sanchez, Annlyn	-	854	(1,535)	-	(681)	-	(681)
Sanchez, Jennifer	200	-	-	-	200	-	200
Sanchez, Timothy	(400)	1,363	(1,363)	-	(400)	-	(400)
Sandoval, Khistina	32,000	-	-	-	32,000	-	32,000
Sangel, Marites	-	17,985	(4,166)	-	13,820	-	13,820
Santiago, Marvin	1,581	-	-	-	1,581	-	1,581
Santiago, Rey Paolo	(553)	-	-	-	(553)	-	(553)
Santor, Propa	-	681	(681)	-	-	-	-
Santos, Buenvenida	-	-	(228,551)	-	(228,551)	-	(228,551)
SANTOS, CRISTINA C	-	419	-	-	419	-	419
Santos, Florentino	(2,221)	-	-	-	(2,221)	-	(2,221)
Santos, Joey andrew	(15,323)	-	-	-	(15,323)	-	(15,323)
Santos, Joseph	490	-	-	-	490	-	490
Sapitula, Preciosa - OLD	1,587	-	-	-	1,587	-	1,587
Saplala, Mariano	3,383	14,617	(6,225)	-	11,775	-	11,775
SAQUING, PURAMARYVER	-	7,501	-	-	7,501	-	7,501
Saret, Angelyn R.	5,246	16,600	(14,264)	-	7,582	-	7,582
Sarmiento, Ma. Victoria	(553)	-	(930)	-	(1,484)	-	(1,484)
Sarmiento, Randy	(856)	-	-	-	(856)	-	(856)
SAYAT, CARMELO	800	16,077	-	-	16,877	-	16,877
SAYAT, RUBY	(800)	1,200	(1,200)	-	(800)	-	(800)
Seducon, Glen Mark	1,581	-	-	-	1,581	-	1,581

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			Amounts Collected	*Amounts Written-Off*			
SEGOVIA, JULIUS ANTHONY	P -	P -	(P 672)	P -	(P 672)	P -	(P 672)
Sembrano, Edgar Allan Manzano	-	3,761	-	-	3,761	-	3,761
SEMBRANO, GILBERT	-	1,954	(3,834)	-	(1,880)	-	(1,880)
Senanin, Ferdinand	(1,745)	-	-	-	(1,745)	-	(1,745)
SERAPIO, Renato	7,654	69,076	(15,954)	-	60,776	-	60,776
Sergio, Joan Liezel	1,100	-	-	-	1,100	-	1,100
Serra, Albuquerque	2,500	-	-	-	2,500	-	2,500
Serrano, Marycon	-	681	(681)	-	-	-	-
SEVILLA, MA. SJENICA	-	681	(681)	-	-	-	-
Sibal, Regina	40,363	68,287	(19,819)	-	88,831	-	88,831
Simo, Rickson Jay P.	200	-	-	-	200	-	200
Sin, Glenda	-	1,192	(1,192)	-	-	-	-
Singson, Manuel Agustin	-	500	(500)	-	-	-	-
Siongco, Josephine	-	16,073	(4,246)	-	11,827	-	11,827
Sioson, Yolanda - OLD	57,480	-	-	-	57,480	-	57,480
Sison, Erlinda G.	4,658	-	-	-	4,658	-	4,658
Sison, Walterdrudes M.	961	-	-	-	961	-	961
SOBERANO, ISRAEL		-	(2,044)	-	(2,044)	-	(2,044)
Sobretodo, Redel	(672)	-	-	-	(672)	-	(672)
Solis, Ma. Geraldine	2,218	627	(627)	-	2,218	-	2,218
Solivio, Rosalie	(128,910)	-	-	-	(128,910)	-	(128,910)
Soliman, Rian Ceasar	(906)	-	-	-	(906)	-	(906)
Solitario, Rachelle	(318)	26,667	(26,667)	-	(318)	-	(318)
SOLIVEN, MONICA	-	-	(709)	-	(709)	-	(709)
Solomon, Byron Jones	-	8,321	-	-	8,321	-	8,321
Solomon, Rommel	-	581	-	-	581	-	581
SORIA, EULEGIO	-	36,204	(36,204)	-	-	-	-
SORIANO, DOMINIQUE	-	-	(800)	-	(800)	-	(800)
Sta. Maria, Hipolito	6,225	56,788	(34,792)	-	28,222	-	28,222
Sta. Maria, Melencio	131,126	204,163	(127,210)	-	208,079	-	208,079
Sta. Maria, Melencio	153,199	17,458	(17,833)	-	152,825	-	152,825
Sta. Mina, Joel	3,113	8,300	(7,263)	-	4,150	-	4,150
Sualog, Cyrus Victor	109	-	(999)	-	(890)	-	(890)
SUAREZ, GINA	-	-	(1,217)	-	(1,217)	-	(1,217)
SUATENGCO, ROSARITO	-	26,600	(14,150)	-	12,450	-	12,450
Suba, Gerald Manalo	-	279	-	-	279	-	279
Suba, Sally	19,000	58,944	(296,078)	-	(218,134)	-	(218,134)
Subijano, Reiner	1,581	-	-	-	1,581	-	1,581
SUNGA, JANINE	8,807	-	-	-	8,807	-	8,807
SUNGA-Tagal, Johana	200	-	(2,408)	-	(2,208)	-	(2,208)
Sy, Dexter	(781)	427	(427)	-	(781)	-	(781)
TABA, PATRICIA	-	-	(636)	-	(636)	-	(636)
TABOTABO, RAQUEL	-	25,556	(13,838)	-	11,718	-	11,718
TABUENA, RICHARD	-	1,823	-	-	1,823	-	1,823
Tabuzo, Victor	-	23,244	(526)	-	22,718	-	22,718
TACUBOY, SHERYL	-	-	(806)	-	(806)	-	(806)
Tajonera, Joan Patrick	12,089	-	-	-	12,089	-	12,089
TAMARGO JR., FRANKLIN	-	-	(1,063)	-	(1,063)	-	(1,063)
Tan, Alvin O.	621	-	-	-	621	-	621
TAN, ANDREW	-	-	(1,390)	-	(1,390)	-	(1,390)
Tan, Ma Floran	(931)	140,000	(140,000)	-	(931)	-	(931)
TAN, PAULINO Y.	100,000	100,000	(200,000)	-	-	-	-
Tan, Rowena Nieves	200	-	-	-	200	-	200
TAN, RENANTE	-	7,946	(5,013)	-	2,933	-	2,933
Tana, Kenneth Bryan	(2,544)	-	-	-	(2,544)	-	(2,544)
Tapalgo, Elyn	(480)	29,372	-	-	28,892	-	28,892
Tapia, Maria Carolina M.	103	-	-	-	103	-	103
TARECTECAN, RICO	-	1,499	(2,862)	-	(1,363)	-	(1,363)
TARUC, PANCHO	600	-	(600)	-	-	-	-
Taton, Maria Thelma	6,225	16,600	(12,967)	-	9,858	-	9,858
TAYAMORA. MICHI REY	-	36,731	(34,687)	-	2,044	-	2,044
TECSON, MA. CHRISTINA	-	1,199	(1,499)	-	(300)	-	(300)
TEM, JOSELITO	-	20,854	(4,937)	-	15,917	-	15,917
Temprosa, Francis Tom	753	-	(899)	-	(146)	-	(146)
Tenoso, Isidro	1,563	-	-	-	1,563	-	1,563
Ticman Jr., Modesto	1,663	2,044	-	-	3,707	-	3,707
Tinaya, Galilee	4,900	-	-	-	4,900	-	4,900
Tinio, Maria Teresa	72,323	327,535	(57,314)	-	342,544	-	342,544
Tiotangco, angelina	(22,082)	-	-	-	(22,082)	-	(22,082)
Tirao, Jerrifer	2,235	-	-	-	2,235	-	2,235
Tirazona, Renato	-	18,846	(76)	-	18,770	-	18,770
TIU, AMDREA CRISZLE	-	-	(681)	-	(681)	-	(681)
Tobias, Ana Patricia	753	-	-	-	753	-	753
Toledo, John Patrick	(763)	-	-	-	(763)	-	(763)
Toledo, Marilyn	-	5,209	-	-	5,209	-	5,209
Tolentino, Edna	873	-	-	-	873	-	873
Tolentino, Rosula R.	12,224	-	-	-	12,224	-	12,224
Tongol, Jan Frederick	(881)	-	-	-	(881)	-	(881)
TORIO, KARLO	-	-	(854)	-	(854)	-	(854)
Torres, Melinda	8,730	64,978	(8,730)	-	64,978	-	64,978

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			Amounts Collected	*Amounts Written-Off*			
Torres, Teem	P -	P 563	P -	P -	P 563	P -	P 563
TRAJANO, ALEXANDER CHAN	-	-	(1,608)	-	(1,608)	-	(1,608)
Trajeco, Ma. Shirley	-	36,085	(29,836)	-	6,249	-	6,249
Trinidad, Bryan	2,300	-	-	-	2,300	-	2,300
Trinidad, Josefina	(439)	-	-	-	(439)	-	(439)
TUASON, JOHN LESTER	-	-	(800)	-	(800)	-	(800)
TUBAY, JERWIN	-	-	-	-	-	-	-
Tugade, Luzviminda O	-	674	-	-	674	-	674
TULUD, RENZ CHRISTIAN	-	7,005	-	-	7,005	-	7,005
TUPAZ, ANTHONY EDSEL	-	1,499	(2,944)	-	(1,445)	-	(1,445)
TY, CARL	-	-	(427)	-	(427)	-	(427)
Ugaddan, Karla	270	-	-	-	270	-	270
ULANDAY, GIANNE	-	954	(2,135)	-	(1,181)	-	(1,181)
Ulep, Michael Lawrence	1,363	-	-	-	1,363	-	1,363
Umpad, Mara	24,000	-	-	-	24,000	-	24,000
Urian, Joselito	3,113	8,300	(7,263)	-	4,150	-	4,150
Usita, Laarni D.	17,661	6,875	(9,375)	-	15,161	-	15,161
Uy, Moira	-	286,851	(140,000)	-	146,851	-	146,851
Uyson, Leslie Marie C.	9,258	-	-	-	9,258	-	9,258
Valderama, Marvin Gilbert C.	-	8,300	(4,150)	-	4,150	-	4,150
Valderrama, RUth	-	15,021	(14,450)	-	571	-	571
VALDEZ, MARCELINO	-	-	(194)	-	(194)	-	(194)
Valdez Jr., Marcos	6,225	16,600	(14,525)	-	8,300	-	8,300
Valencia, Joy G.	-	2,314	(328)	-	1,986	-	1,986
Valerio, Francis	16,600	4,688	-	-	21,288	-	21,288
VANZUELA, JEZEL F	-	1,450	-	-	1,450	-	1,450
Varilla, Edglyn - OLD	5,141	-	-	-	5,141	-	5,141
VELASCO, MARK ANTHONY	-	4,088	(2,044)	-	2,044	-	2,044
Velasquez III, Damian	-	341	-	-	341	-	341
Velasquez, Ma. Charisma B.	3,160	-	-	-	3,160	-	3,160
Vera, Roderick	(691)	-	(491)	-	(1,181)	-	(1,181)
Verano, Aldrick	(781)	-	-	-	(781)	-	(781)
Verano, Jacqueline Christine	2,903	-	-	-	2,903	-	2,903
VERANO, JAY NEIL	-	1,018	(509)	-	509	-	509
Verdote, Christopher	-	1,872	-	-	1,872	-	1,872
Vibar, Ma Theresa	-	14,592	(14,592)	-	-	-	-
Vicente, Gudani	2,300	-	-	-	2,300	-	2,300
VICTOR, RAMON	-	-	(2,044)	-	(2,044)	-	(2,044)
VICTORIA, JUANITO	-	427	(427)	-	-	-	-
VICTORIA, MICHAEL	-	16,600	(5,481)	-	11,119	-	11,119
Victoria, Wendelliza	1,450	40,140	(4,425)	-	37,165	-	37,165
Vilchez, Maria Gladys	(1,384)	-	(1,063)	-	(2,447)	-	(2,447)
Villacorta, Enrico	(1,181)	-	-	-	(1,181)	-	(1,181)
Villaluz, Gerardo	1,090	-	(1,267)	-	(177)	-	(177)
Villamin, Jojo	(931)	-	(400)	-	(1,331)	-	(1,331)
VILLANUEVA, ANTONIO JR	-	200	(1,345)	-	(1,145)	-	(1,145)
VILLANUEVA, ARHIMEDES	-	1,127	(1,408)	-	(282)	-	(282)
Villanueva, Ma. Concepcion L.	-	23,864	(1,553)	-	22,311	-	22,311
Villanueva, Romulo	(673)	-	-	-	(673)	-	(673)
VILLANUEVA, SARAH CAPARAS	1,545	-	-	-	1,545	-	1,545
Villar, Gerald	6,225	144,979	(22,350)	-	128,854	-	128,854
Villar, Gerald	20,294	-	(10,000)	-	10,294	-	10,294
Villasis, Christian	1,613	-	(1,588)	-	25	-	25
VILLEGAS JR,M AMADO	-	4,456	-	-	4,456	-	4,456
Villegas, Ronchette Lee I	-	8,300	(4,150)	-	4,150	-	4,150
Villena, Jean Marie	753	-	(1,189)	-	(436)	-	(436)
Vinas, Ana Marie	1,908	-	-	-	1,908	-	1,908
Vinluan, Lourdes	-	-	-	-	0	-	-
Vinluan, Renato *	4,875	-	-	-	4,875	-	4,875
Vitug, Marianne Claire	(2,544)	-	-	-	(2,544)	-	(2,544)
Vizcayno, Wilfredo	4,900	-	-	-	4,900	-	4,900
WANG, EVA MARIE	-	4,088	(2,044)	-	2,044	-	2,044
Yago, Rowena	-	1,215	(1,215)	-	-	-	-
YAH, LARA JESSICA	-	1,299	(1,299)	-	-	-	-
Yan, Edwin	400	-	-	-	400	-	400
Yap, Avelina	9,405	-	-	-	9,405	-	9,405
YAP, GIRARD	9,281	-	(9,281)	-	-	-	-
YAP, ROSALIE	-	-	(1,772)	-	(1,772)	-	(1,772)
YAP, SANDRA	-	5,298	-	-	5,298	-	5,298
Yu, Antonio O.	100	-	-	-	100	-	100
Yudelmo,Walter	(1,363)	681	(681)	-	(1,363)	-	(1,363)
Zafra, Reynele Bren G.	346	-	-	-	346	-	346
Zaldivar, Felicia P.	43,830	-	-	-	43,830	-	43,830
Zaldivar, Ramil	-	6,177	(6,177)	-	-	-	(0)
Zamora, Elizar	-	9,753	(2,207)	-	7,546	-	7,546
Zamudio, Rowena B.	(5,100)	-	-	-	(5,100)	-	(5,100)
Zerna, Cromwell Matheau	(969)	-	-	-	(969)	-	(969)
Fabila, Gilbert	461	-	-	-	461	-	461
Fernandez, Barbara	320	-	-	-	320	-	320
Escosia, Aurora	890	-	-	-	890	-	890

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			Amounts Collected	*Amounts Written-Off*			
Chairman's Medical	P 5,970	P -	P -	P -	P 5,970	P -	P 5,970
ABAD, DIEGO JOSE	-	2,000	(2,000)	-	-	-	-
ACOMULAR, MICHELLE S	-	394,949	(347,431)	-	47,518	-	47,518
Agnes, Reynold D.	-	17,100	(4,100)	-	13,000	-	13,000
Alba, Michael	-	46,647	(1,717)	-	44,930	-	44,930
Alcartado, Leonora B	-	7,200	(7,200)	-	-	-	-
Alcoberes, Philip Jay N.	-	10,553	(10,553)	-	-	-	-
ALVAREZ JR., ABEL	-	30,313	(30,313)	-	-	-	-
ALVERO, MARK	-	20,117	(20,117)	-	-	-	-
Ampatin, Estrella V.	-	(33,860)	-	-	(33,860)	-	(33,860)
Andaya, Marie Jina	-	30,556	(27,200)	-	3,356	-	3,356
Andrade, Alexander	-	550	-	-	550	-	550
Anot Jr., Juanito	-	31,870	(31,870)	-	-	-	-
Aquino, Jefferson	-	1,700	(1,700)	-	-	-	-
Baldres, Ramil	-	9,613	-	-	9,613	-	9,613
BALLARES, LEA D	-	27,842	(27,842)	-	-	-	-
Barro, Liana	-	640	(640)	-	-	-	-
Basilio, Rosalinda	-	101,306	(101,306)	-	-	-	-
Bautista, Michelle	-	48,070	(48,070)	-	-	-	-
BEJO, NOEL	-	160,765	(160,765)	-	-	-	-
BELTRAN, EDNA	-	7,131	(7,131)	-	-	-	-
Beltran, Loysabel	-	2,980	-	-	2,980	-	2,980
Benicta, Eugeene	-	-	(7,706)	-	(7,706)	-	(7,706)
Bingculado, Roger	-	32,411	(67,583)	-	(35,172)	-	(35,172)
Blardony, Rosario	-	17,449	-	-	17,449	-	17,449
Blas, Maria Theresa	-	1,451	-	-	1,451	-	1,451
Borgona, Earl Joseph	-	4,665	(6,200)	-	(1,535)	-	(1,535)
Bueno, Harold	-	-	-	-	-	-	-
BULANHAGUI, NIDA	-	1,761,858	(645,114)	-	1,116,744	-	1,116,744
Bustamante, Maria Christine	-	14,000	(14,000)	-	-	-	-
CAAWAY, JOSE JAMIR	-	21,079	(31,079)	-	(10,000)	-	(10,000)
Caagbay, Elpidio Z.	-	8,180	(8,180)	-	-	-	-
Cabaltica, Leilani A.	-	100,000	(100,000)	-	-	-	-
Cabasada, Albert R. III	-	-	(39,409)	-	(39,409)	-	(39,409)
Canoza, Geraldine	-	15,466	(15,466)	-	-	-	-
CANTIMBUHAN, JED R	-	34,427	(34,427)	-	-	-	-
Cao, Marilou F.	-	368,184	(348,657)	-	19,527	-	19,527
Carillo - Rivera , Kristine Bernadette	-	8,400	(14,335)	-	(5,935)	-	(5,935)
CASCOLAN JR, GIDEON	-	5,000	(5,000)	-	-	-	-
Castillo, Flordeliza	-	62,180	(62,180)	-	-	-	-
Castro, Joeven	-	33,424	(4,000)	-	29,424	-	29,424
Catamora, Catherine	-	2,228	(2,300)	-	(72)	-	(72)
Chavez, Joel	-	20,308	(48,490)	-	(28,182)	-	(28,182)
CHUA, RICK JOHN B	-		(3,356)	-	(3,356)	-	(3,356)
CO, STEPHEN JAY	-	99,655	(108,559)	-	(8,904)	-	(8,904)
CONCHA, JHONALYN	-	52,700	(52,710)	-	(10)	-	(10)
Cruz, Benjamin F.	-	-	(2,000)	-	(2,000)	-	(2,000)
Cruz, Jayson	-	2,250	(2,250)	-	-	-	-
Cuibillas, Jorge	-	2,585	-	-	2,585	-	2,585
DAVID, PHILIP	-	42,567	(76,814)	-	(34,247)	-	(34,247)
De Leon, Jocelyn	-	742,944	(885,211)	-	(142,268)	-	(142,268)
De Vera, Michael	-	-	(116,706)	-	(116,706)	-	(116,706)
De Viana, Lorelei	-	11,793	-	-	11,793	-	11,793
Del Rosario, Maria Theresa	-	-	(2,831)	-	(2,831)	-	(2,831)
DELA CRUZ, ALMA EMERITA V	-	-	(30,531)	-	(30,531)	-	(30,531)
DELOS SANTOS, MARIE LENORE N	-	112,974	(118,270)	-	(5,296)	-	(5,296)
Diaz Jr., Reynaldo	-	29,152	(48,304)	-	(19,152)	-	(19,152)
DIESTA, JOAN CLARISSE	-	31,026	(31,026)	-	-	-	-
Dimzon, Marnelli	-	18,000	-	-	18,000	-	18,000
Dionisio, Maricar	-	35,600	(35,600)	-	-	-	-
Ducut, Mirela	-	9,000	(9,000)	-	-	-	-
DUKA, JHELMAR	-	129,594	(129,315)	-	279	-	279
DUMILAG, RICHARD V	-	281,279	(211,529)	-	69,750	-	69,750
Echauz, Lydia	-	-	(5,606)	-	(5,606)	-	(5,606)
Elman, Mario	-	74,208	(74,208)	-	-	-	-
ERUM, FILJU	-	72,000	(39,000)	-	33,000	-	33,000
Estrada, Ron Ed	-	25,276	(25,276)	-	-	-	-
EVIZA, ALYSSA FAYE R	-	450,863	(454,177)	-	(3,314)	-	(3,314)
FENNIS, ROGELYN	-	91,125	(88,194)	-	2,932	-	2,932
FERNANDEZ, MAGDALAINE	-	36,859	(36,859)	-	-	-	-
Fiesta, Erlinda	-	500	-	-	500	-	500
FILOTEO, JOYCELYN	-	3,000	(3,000)	-	-	-	-
FLORENDO, JOSEFINA	-	3,000	(3,000)	-	-	-	-
Flores, Roberto	-	26,321	(20,000)	-	6,321	-	6,321
Fulgar III, Ildefonso	-	116	-	-	116	-	116
Galang Jr., Romeo	-	540	-	-	540	-	540
GARCIA, MERRIE CAROLYNE	-	2,779	(3,271)	-	(492)	-	(492)
GELLA, FREDERICK	-	9,500	(9,500)	-	-	-	-
GELLECANAO JR., FRANCISCO R	-	11,880	(11,880)	-	-	-	-
Gonzales, Jayson	-	-	(3,328)	-	(3,328)	-	(3,328)

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			Amounts Collected	*Amounts Written-Off*			
GOQUINGCO, ANTHONY RAYMOND	P -	P 63,000	(P 63,000)	P -	P -	P -	P -
Grasparil, James Andrew	-	67,080	(67,080)	-	-	-	-
Gudani, Vicente C	-	720	(720)	-	-	-	-
Gutierrez, Mary Victory	-	20,120	(20,120)	-	-	-	-
Inciong, Cherry Wyne	-	92,349	(78,349)	-	14,000	-	14,000
Inocencio, Ma. Fe R.	-	2,000	(2,000)	-	-	-	-
Israel, Dr. Marietta	-	10,500	(10,500)	-	-	-	-
JONSON, KISSARNE ALLYSA L	-	296,696	(296,751)	-	(55)	-	(55)
Junio, Jobeth	-	12,700	-	-	12,700	-	12,700
Junio, Nenitha	-	-	(23,531)	-	(23,531)	-	(23,531)
Kim, Chul Su	-	96	-	-	96	-	96
Lacaden, Raffy	-	-	(28,000)	-	(28,000)	-	(28,000)
Landicho, Jerrold	-	545,307	(590,115)	-	(44,808)	-	(44,808)
Lantican, Mark Lixcel	-	742	(742)	-	0	-	-
Las Pinas, Mary Grace	-	67,550	(158,317)	-	(90,767)	-	(90,767)
LICOP, ANNA PAULINE	-	1,207	(1,207)	-	-	-	-
Licudine, Mary Grace	-	68,906	(68,906)	-	-	-	-
Liggayu, Michael	-	62,444	(62,444)	-	-	-	-
Limjap, Auxencia	-	38,747	-	-	38,747	-	38,747
LOPEZ, JOMELYN	-	8,861	(8,861)	-	-	-	-
Lopez, Martin Z.	-	735,073	(504,622)	-	230,451	-	230,451
MACLANG, EDWIN	-	7,555	(30,500)	-	(22,945)	-	(22,945)
Maclang, Ian Margarette	-	69,680	(62,350)	-	7,330	-	7,330
Madriaga, Joventina	-	14,794	(3,507)	-	11,287	-	11,287
MAGKASI, MA. ELIZA MARGARITA	-	3,051	-	-	3,051	-	3,051
MAMAAT, JOSE EDWARDO	-	23,585	-	-	23,585	-	23,585
MAñALAC, ELISA	-	-	(3,240)	-	(3,240)	-	(3,240)
MARANAN, JOAN CLARISSE D	-	520	-	-	520	-	520
Mariscotes, Maria Norlinda	-	80,297	(75,847)	-	4,450	-	4,450
MASANGKAY,FREDERICK R	-	-	(1,654)	-	(1,654)	-	(1,654)
Mendoza, Catherine	-	4,620	(4,620)	-	-	-	-
Mendoza. Sophia	-	9,161	(9,161)	-	-	-	-
Mintu, Cynthia	-	34,900	(35,680)	-	(780)	-	(780)
Molina, Mark Oliver	-	948,000	(1,126,517)	-	(178,517)	-	(178,517)
Molina, Mark Oliver P.	-	6,294	-	-	6,294	-	6,294
Montinola, Antonio	-	86,840	-	-	86,840	-	86,840
Montinola, Juan Miguel R.	-	-	(33,439)	-	(33,439)	-	(33,439)
Morabe, Babsie	-	102,910	(102,910)	-	-	-	(0)
Narval, Antonio G.	-	35,416	(30,134)	-	5,282	-	5,282
NATIVIDAD, REUBEN RAMIRO	-	55,501	(55,501)	-	-	-	-
Neo, Helen Azor	-	12,997	(9,735)	-	3,262	-	3,262
NERIDA, CLARISSE MAE T	-	588,688	(569,375)	-	19,313	-	19,313
Nisperos, Dulce Marie	-	39,257	(40,507)	-	(1,250)	-	(1,250)
NOVIO, EDREA DANIELLE C	-	-	(4,124)	-	(4,124)	-	(4,124)
OCAMPO, WILFREDO	-	13,200	(13,200)	-	-	-	-
OCTA, KENNEDY P	-	37,766	(36,766)	-	1,000	-	1,000
Ogasawara, Musashi	-	17,194	-	-	17,194	-	17,194
Olivo, Shirley	-	856,292	(849,527)	-	6,765	-	6,765
ORMITA, LUZELLE ANNE	-	83,197	(114,597)	-	(31,400)	-	(31,400)
PAGUIRIGAN, VIVIANA	-	-	(12,822)	-	(12,822)	-	(12,822)
Pajuyo, Driselle	-	396,842	(181,523)	-	215,319	-	215,319
PALMARES, AARON JAN S	-	3,000	(3,000)	-	-	-	-
PAMITTAN JR., GENEROSO	-	-	(30,531)	-	(30,531)	-	(30,531)
PANDAPATAN, RAIHANA	-	85,227	(85,227)	-	-	-	-
PANELA, KAREN LEE V	-	1,200	-	-	1,200	-	1,200
Pascua, George	-	10,030	(10,030)	-	-	-	-
Paz, Emily C.	-	8,561	-	-	8,561	-	8,561
Paz, Rosalinda Z.	-	18,000	-	-	18,000	-	18,000
PEDREGOSA, GLAIZA O	-	3,727	(12,300)	-	(8,573)	-	(8,573)
Pedregosa, Jeremy Floyd	-	12,300	(3,727)	-	8,573	-	8,573
Penarubia, Christopher	-	-	(1,600)	-	(1,600)	-	(1,600)
Peren, Anelyn	-	7,040	(7,040)	-	-	-	(0)
Polido, Jelyca	-	317,738	(302,713)	-	15,025	-	15,025
Quinto, Myrna	-	-	(27,291)	-	(27,291)	-	(27,291)
Ramos, Rosemarie	-	85,274	(85,295)	-	(21)	-	(21)
Rapirap, Raquel	-	-	(85,180)	-	(85,180)	-	(85,180)
Relente, Miguelito	-	3,557	(9,994)	-	(6,437)	-	(6,437)
Rito, Estrellita S.	-	9,798	-	-	9,798	-	9,798
Rosal, Josefina	-	12,838	(12,838)	-	-	-	-
Rosario, Maria Theresa	-	1,255	-	-	1,255	-	1,255
Saguinsin, James Owen	-	500	-	-	500	-	500
Salcedo, Rosanna	-	11,782	-	-	11,782	-	11,782
Saldivar, Adelaida	-	-	(20)	-	(20)	-	(20)
SAN DIEGO, CYNTHIA	-	11,000	(11,000)	-	-	-	-
Santos, Marie Lenore	-	3,536	-	-	3,536	-	3,536
SAYSON, ERWIN	-	19,407	(22,757)	-	(3,350)	-	(3,350)
Sido, Ma. Victoria	-	2,000	(2,000)	-	-	-	-
Sison, Roger Amadeo	-	4,650	-	-	4,650	-	4,650
SORIA, EULEGIO	-	216,702	(197,625)	-	19,077	-	19,077
Sta. Maria, Melencio	-	-	(109,432)	-	(109,432)	-	(109,432)

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Name and Designation of Debtor	*Balance at Beginning of Period*	*Additions*	*Deductions*		*Current*	*Non-Current*	*Balance at End of Period*
			Amounts Collected	*Amounts Written-Off*			
Sta. Mina, Joel	P -	P 20,143	(P 20,143)	P -	-	P -	P -
Tabuzo, Victor	-	9,532	(21,283)	-	(11,751)	-	(11,751)
Talampas, Maria Cristina	-	340,000	-	-	340,000	-	340,000
Talusan, Danilo B.	-	9,962	-	-	9,962	-	9,962
TAN, RENANTE DANTE	-	3,000	(3,000)	-	-	-	-
Tem, Joselito	-	10,118	-	-	10,118	-	10,118
TENORIO, MARY JANE	-	13,221	(13,431)	-	(210)	-	(210)
THOMAS JR., REY C	-	13,158	(13,158)	-	-	-	-
Tinio, Maria Teresa	-	-	(36,998)	-	(36,998)	-	(36,998)
Tolentino, Rosula	-	6,965	-	-	6,965	-	6,965
TUASON, JOHN LESTER	-	8,730	(8,730)	-	-	-	-
USACDIN, LEAH B	-	9,774	(9,774)	-	-	-	-
Usita, Laarni D.	-	43,530	(43,530)	-	-	-	-
Valdez Jr., Marcos	-	14,917	(14,800)	-	117	-	117
Valencia, Jean Pauline	-	377,673	(363,730)	-	13,943	-	13,943
Valerio, Francis	-	4,500	(4,500)	-	-	-	-
VALEZA, ARIEL	-	3,724	(3,724)	-	-	-	-
Vera, Michael	-	58,088	-	-	58,088	-	58,088
VICTORIA, MICHAEL	-	23,352	(23,352)	-	-	-	-
Villanueva, Romulo	-	673	-	-	673	-	673
Visda, Eric John	-	29,652	(29,652)	-	-	-	-
Yago, Rowena	-	46,608	(46,608)	-	-	-	-
YAP, SANDRA	-	349,904	(339,274)	-	10,630	-	10,630
YSLA, MARK SALVADOR	-	25,260	(25,260)	-	-	-	-
Zamudio, Rowena B.	-	119,647	(119,587)	-	60	-	60
Others	-	24,537	-	-	24,537	-	24,537
TOTAL	**P 5,787,251**	**P 31,341,250**	**(P 26,479,931)**	**P -**	**P 10,648,570**	**-**	**P 10,648,570**

Note:

The total amount is included as part of Advances to Officers and Employees under the Trade and Other Receivables account in the 2018 consolidated statement of financial position .

THE FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule C - Amounts Receivable from Related Parties Which are Eliminated During the Consolidation of Financial Statements
May 31, 2018

Name and Designation of Debtor	*Balance at Beginning of Period*	*Additions*	*Deductions*		*Current*	*Non-Current*	*Balance at End of Period*
			Amounts Collected	*Amounts Written-Off*			
FRC							
Unearned rental income from FEU	P 9,400,000	P -	(P 7,311,754)	P -	P 2,088,246	P -	P 2,088,246
Rental and various expneses receivable from FEU	55,372,438	112,605,108	(113,329,253)	-	54,648,293	-	54,648,293
Rental receivable from FECSI	1,880,929	3,078,924	(4,352,928)	-	606,925	-	606,925
Rental and various receivable from EACCI	3,784,932	6,208,801	(9,538,295)	-	455,438	-	455,438
	P 70,438,299	**P 121,892,833**	**(P 134,532,230)**	**P -**	**P 57,798,902**	**P -**	**P 57,798,902**
FECSI							
Various expenses receivable from FEU	P 133,134	P 297,706	(P 33,600)	P -	P 397,240	P -	P 397,240
Rental and various expenses payable to FEU	2,339,143	4,968,705	(3,740,002)	-	3,567,846	-	3,567,846
Rental and various expenses payable to FRC	2,339,143	4,410,605	(6,142,823)	-	606,925	-	606,925
	P 4,811,420	**P 9,677,016**	**(P 9,916,425)**	**P -**	**P 4,572,011**	**P -**	**P 4,572,011**
EACCI							
Rental and various expenses payable to FEU	P 20,988,862	P 31,728,236	(P 48,344,203)	P -	P 4,372,895	P -	P 4,372,895
Dividend payable to FEU	25,839,867	25,839,867	(25,839,867)	-	25,839,867	-	25,839,867
Payable to FEU Alabang	-	4,196,008	-	-	4,196,008		4,196,008
Rental and various expenses payable to FRC	5,646,085	6,595,862	(7,541,291)	-	4,700,656	-	4,700,656
	P 52,474,814	**P 68,359,973**	**(P 81,725,361)**	**P -**	**P 39,109,426**	**P -**	**P 39,109,426**
FEU - Alabang, Inc.							
Noninterest-bearing advances payable to FEU	P 20,655,933	P 1,495,468	P -	P -	P 22,151,401	P -	P 22,151,401
Noninterest-bearing advances payable to EACCI	-	2,972,030	-	-	2,972,030	-	2,972,030
	P 20,655,933	**P 4,467,498**	**P -**	**P -**	**P 25,123,431**	**P -**	**P 25,123,431**
FEU High School, Inc.							
Rental and various expenses payable to FEU	P 4,074,711	P 49,781,686	(P 19,585,258)	P -	P 34,271,139	P -	P 34,271,139
Loan and interest receivable from FEU	-	111,771,536	(25,425,207)		86,346,329	-	86,346,329
	P 4,074,711	**P 161,553,222**	**(P 45,010,465)**	**P -**	**P 120,617,468**	**P -**	**P 120,617,468**
Roosevelt College, Inc.							
Various expenses payable to FEU	P 4,967,824	P 1,400,803	(P 2,174,455)	P -	P 4,194,172	P -	P 4,194,172
Noninterest bearing advances payable to FEU	160,564,735	90,000,000	(50,000,000)		200,564,735	-	200,564,735
	P 165,532,559	**P 91,400,803**	**(P 52,174,455)**	**P -**	**P 204,758,907**	**P -**	**P 204,758,907**

THE FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule D - Non-current Marketable Equity Securities, Other Long-term Investments in Stocks and Other Investments
May 31, 2018

Name of Issuing Entity and Description of Investment	*Beginning Balance*		*Additions (Deductions)*				*Ending Balance*		*Dividends Received from Investments Not Accounted for by the Equity Method*
	Number of Shares or Principal Amoun of Bonds and Notes	*Amount in Pesos*	*Equity in Earnings (Losses) of Investee for the Period*	*Others*	*Distribution of Earnings by Investee*	*Others*	*Number of Shares or Principal Amoun of Bonds and Notes*	*Amount in Pesos*	
Investment in an Associate - Juliana Management Company, Inc. (JMCI)	**43,659**	**P 6,585,801**	**(P 94,876)**	**P -**	**P -**	**P -**	**43,659**	**P 6,490,925**	**P -**

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule F - Other Assets
May 31, 2018

Description	Balance at Beginning of Period	Additions at Cost	Deductions		Other Changes	Balance at End of Period
			Charged to Cost and Expenses	Charged to Other Accounts	Additions (Deductions)	
Current:						
Advances to suppliers	P 404,924,056	P -	P -	P -	(P 164,200,921)	P 240,723,135
Short-term investments	140,435,812	777,065,883	-	-	-	917,501,695
Input value-added tax (VAT) - net	90,562,226	39,146,827	-	-	-	129,709,053
Prepaid expenses	33,350,675	17,732,193	-	-	-	51,082,868
Others	21,384,727	2,144,313	-	-	-	23,529,040
	P 690,657,496	**P 836,089,216**	**P -**	**P -**	**(P 164,200,921)**	**P 1,362,545,791**
Non-current:						
Advances to developers	P 79,417,861	P 50,449,328	P -	P -	P -	P 129,867,189
Long-term investments	-	11,527,360	-	-	-	P 11,527,360
Refundable deposits	7,644,089	849,387	-	-	-	8,493,476
Other equity investments	2,880,594	-	-	-	(50,594)	2,830,000
	P 89,942,544	**P 62,826,075**	**P -**	**P -**	**(P 50,594)**	**P 152,718,025**

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule G - Long Term Debt
May 31, 2018

Title of Issue and Type of Obligation	*Amount Authorized by Indenture*	*Amount Shown Under Caption "Current Portion of Long Term Debt" in Related Balance Sheet*	*Amount Shown Under Caption "Long Term Debt" in Related Balance Sheet*	
Interest-bearing loan	P 800,000,000	P 152,380,952	P 609,523,810	a
Interest-bearing loan	680,000,000	129,523,810	420,952,381	b
Interest-bearing loan	200,000,000	38,095,238	123,809,524	c
Interest-bearing loan	150,000,000	28,571,429	114,285,714	d
Interest-bearing loan	100,000,000	20,000,000	65,000,000	e
Interest-bearing loan	50,000,000	50,000,000	-	f
Interest-bearing loan	200,000,000	200,000,000	-	g
Interest-bearing loan	175,000,000	175,000,000	-	h
Interest-bearing loan	60,000,000	60,000,000	-	i
Interest-bearing loan	80,000,000	80,000,000	-	j
Interest-bearing loan	100,000,000	100,000,000	-	k
Interest-bearing loan	70,000,000	70,000,000		l
Interest-bearing loan	80,000,000	80,000,000	-	m
TOTAL		**P 1,183,571,429**	**P 1,333,571,429**	

a *Unsecured loan obtained by the University in May 2016. The principal amount is payable over 21 quarterly payments until May 2023; initial principal repayment was made in May 2018.*

b *Unsecured loan obtained by the University in June 2015. The principal amount is payable in seven years until June 2022; intial principal repayment made in June 2017.*

c *Unsecured loan obtained by the University in Apirl 2017. The principal amount is payable over 21 quarterly payments until June 2022; first principal repayment was made in June 2017.*

d *Unsecured loan obtained by the University in November 2016. The principal amount is payable over 21 quarterly payments until May 2023; first principal repayment was made in May 2018.*

e *Unsecured loan obtained by the University in June 2017. The principal amount is payable in 21 quarterly payments until June 2022; first principal repayment was made in September 2018.*

For items (a) to (e) above, the loan agreement stipulates a floating interest rate which is the higher between the loan interest rate determined from the Philippine Dealing System Treasury Reference three-month bid yields for Philippine Government securities plus a fixed spread of 0.75%, and the prevailing interest rate on special deposit account.

f *Unsecured loan obtained by the University in May 2017. The loan bears an interest of 3.75% per annum. The loan was refinanced in January 2018, and further in April 2018, to mature on July 2018. The entire principal amount is due on maturity date.*

g *Unsecured loan obtained by the University in August 2017. The loan bears an interest of 3.75% per annum. The loan was refinanced in January 2018, and further in April 2018, to mature on July 2018. The entire principal amount is due on maturity date.*

THE FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES

Schedule G - Long Term Debt

May 31, 2018

h *Unsecured loan obtained by the University in October 2017. The loan bears an interest of 3.75% per annum. The loan was refinanced in January 2018, and further in April 2018, to mature on July 2018. The entire principal amount is due on maturity date.*

i *Unsecured loan obtained by the University in December 2017. The loan bears an interest of 4.00% per annum. The loan was refinanced in March 2018, to muture on June 2018. The entire principal amount is due on maturity date.*

j *Unsecured loan obtained by the University in March 2018. The loan bears an interest of 4.75% per annum. The principal amount is payable on maturity date in June 2018.*

k *Unsecured loan obtained by the University in April 2018. The loan bears an interest of 4.75% per annum. The principal amount is payable on maturity date in July 2018.*

l *Unsecured loan obtained by the RCI in April 2018. The loan bears an interest of 4% per annum. The principal amount is payable on maturity date in July 2018.*

m *Unsecured loan obtained by the RCI in May 2018. The loan bears an interest of 4% per annum. The principal amount is payable on maturity date in August 2018.*

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule J - Capital Stock
May 31, 2018

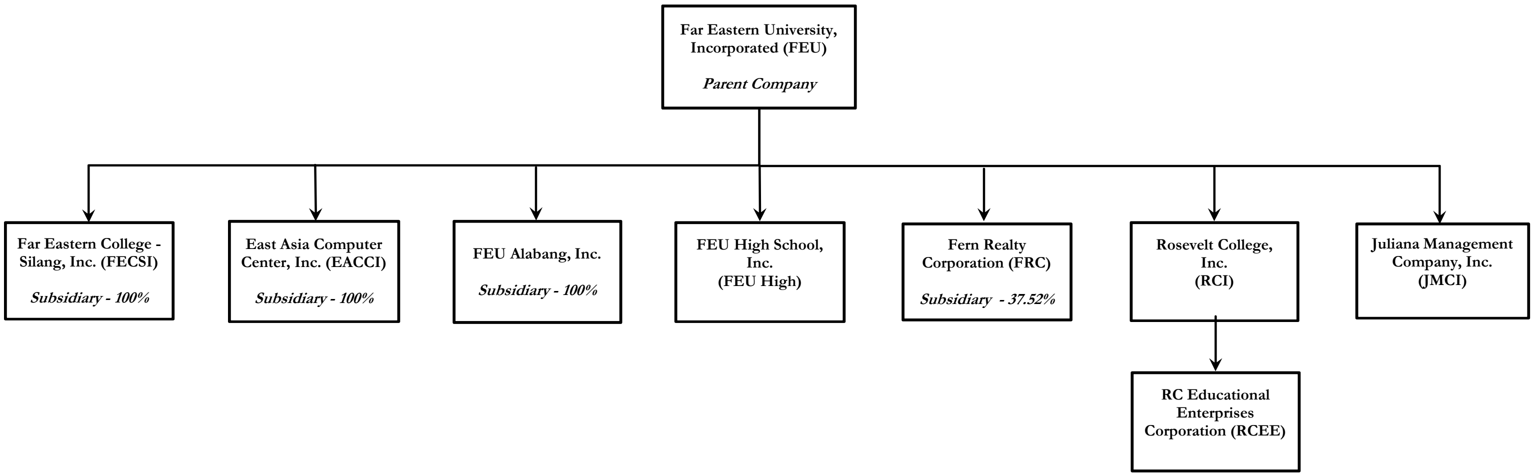
Title of Issue	*Number of Shares Authorized*	*Number of Shares Issued and Outstanding as Shown Under Related Balance Sheet Caption*	*Number of Shares Reserved for Options, Warrants, Conversion and Other Rights*	*Number of Shares Held by Related Parties*	*Directors, Officers and Employees*	*Others*
Common shares - P100 par value	20,000,000	16,477,023	-	9,762,907	1,076,259	-

FAR EASTERN UNIVERSITY, INCORPORATED
Nicanor Reyes Sr. Street, Sampaloc, Manila

Reconciliation of Retained Earnings Available for Dividend Declaration
For the Year Ended May 31, 2018

Unappropriated Retained Earnings at Beginning of Year		P 1,366,235,419
Prior Years' Outstanding Reconciling Items, net of tax		
Deferred tax income	3,906,504	3,906,504
Unappropriated Retained Earnings Available for Dividend Declaration at Beginning of Year, as Adjusted		1,370,141,923
Net Profit Realized during the Year		
Net profit per audited financial statements		145,962,283
Non-actual/unrealized income, net of tax		
Unrealized foreign exchange gain, net of tax	31,703,084	
Deferred tax income	1,883,188	(33,586,272)
		112,376,011
Other Transactions During the Year		
Appropriation of retained earnings	270,000,000	
Dividends declared	263,632,368	(533,632,368)
Retained Earnings Restricted for Treasury Shares		(3,733,100)
Unappropriated Retained Earnings Available for Dividend Declaration at End of Year		**P 945,152,466**

FAR EASTERN UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Map Showing the Relationships Between and Among the University and Its Related Parties
May 31, 2018



Note:
Percentages indicated pertains to FEU's effective ownership over the respective related party which is also disclosed in the consolidated financial statements.

THE FAR EASTER UNIVERSITY, INCORPORATED AND SUBSIDIARIES
Schedule of Philippine Financial Reporting Standards and Interpretations
Adopted by the Securities and Exchange Commission and the
Financial Reporting Standards Council as of May 31, 2018

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		**Adopted**	**Not Adopted**	**Not Applicable**
Framework for the Preparation and Presentation of Financial Statements		✓		
Conceptual Framework Phase A: Objectives and Qualitative Characteristics		✓		
Practice Statement Management Commentary				✓
Philippine Financial Reporting Standards (PFRS)				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards			✓
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			✓
	Amendments to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			✓
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to PFRS 1: Government Loans			✓
	Amendments to PFRS 1: Deletion of Short-term Exemptions			✓
PFRS 2	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
	Amendments to PFRS 2: Classification and Measurement of Share-based Payment Transactions* *(effective January 1, 2018)*			✓
PFRS 3 (Revised)	Business Combinations	✓		
	Amendment to PFRS 3: Remeasurement of Previously Held Interests in a Joint Operation* (*effective January 1, 2019)*			✓
PFRS 4	Insurance Contracts			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			✓
	Amendments to PFRS 4: Applying PFRS 9, *Financial Instruments*, with PFRS 4, *Insurance Contracts** *(effective January 1, 2018)*			✓
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			✓
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to PFRS 7: Transition	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✓		
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures – Transfers of Financial Assets	✓		
	Amendments to PFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	✓		
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures* *(effective when PFRS 9 is first applied)*			✓
PFRS 8	Operating Segments	✓		
PFRS 9	Financial Instruments (2014)* *(effective January 1, 2018)*			✓
	Amendments to PFRS 9: Prepayment Features with Negative Compensation* (*effective January 1, 2019)*			✓
PFRS 10	Consolidated Financial Statements	✓		
	Amendments to PFRS 10: Transition Guidance	✓		
	Amendments to PFRS 10: Investment Entities			✓
	Amendments to PFRS 10: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* *(effective date deferred indefinitely)*			✓
	Amendments to PFRS 10: Investment Entities – Applying the Consolidation Exception			✓
PFRS 11	Joint Arrangements			✓
	Amendments to PFRS 11: Transition Guidance			✓
	Amendments to PFRS 11: Accounting for Acquisitions of Interests in Joint Operations			✓
	Amendment to PFRS 11: Remeasurement of Previously Held Interests in a Joint Operation* (*effective January 1, 2019)*			✓
PFRS 12	Disclosure of Interests in Other Entities	✓		
	Amendments to PFRS 12: Transition Guidance	✓		
	Amendments to PFRS 12: Investment Entities			✓
	Amendments to PFRS 10: Investment Entities – Applying the Consolidation Exception			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
PFRS 13	Fair Value Measurement	✓		
PFRS 14	Regulatory Deferral Accounts			✓
PFRS 15	Revenue from Contracts with Customers* (*effective January 1, 2018*)			✓
PFRS 16	Leases* *(effective January 1, 2019)*			✓
PFRS 17	Insurance Contracts* *(effective January 1, 2021)*			✓
Philippine Accounting Standards (PAS)				
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓		
	Amendments to PAS 1: Disclosure Initiative	✓		
PAS 2	Inventories	✓		
PAS 7	Statement of Cash Flows	✓		
	Amendments to PAS 7: Disclosure Initiative	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		
PAS 10	Events After the Reporting Period	✓		
PAS 11	Construction Contracts			✓
PAS 12	Income Taxes	✓		
	Amendments to PAS 12 - Deferred Tax: Recovery of Underlying Assets	✓		
	Amendments to PAS 12 - Recognition of Deferred Tax Assets for Unrealized Losses	✓		
	Amendment to PAS 12 - Tax Consequences of Dividends* (*effective January 1, 2019)*	✓		
PAS 16	Property, Plant and Equipment	✓		
	Amendments to PAS 16: Bearer Plants**			✓
	Amendments to PAS 16: Clarification of Acceptable Methods of Depreciation and Amortization	✓		
PAS 17	Leases	✓		
PAS 18	Revenue	✓		
PAS 19 (Revised)	Employee Benefits	✓		
	Amendments to PAS 19: Defined Benefit Plans - Employee Contributions	✓		
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓
PAS 21	The Effects of Changes in Foreign Exchange Rates	✓		
	Amendments: Net Investment in a Foreign Operation			✓
PAS 23 (Revised)	Borrowing Costs	✓		
	Amendment to PAS 23: Eligibility for Capitalization	✓		
PAS 24 (Revised)	Related Party Disclosures	✓		
PAS 26	Accounting and Reporting by Retirement Benefit Plans			✓
PAS 27 (Revised)	Separate Financial Statements	✓		
	Amendments to PAS 27: Investment Entities			✓
	Amendments to PAS 27: Equity Method in Separate Financial Statements			✓
PAS 28 (Revised)	Investments in Associates and Joint Ventures	✓		
	Amendments to PFRS 10: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* *(effective date deferred indefinitely)*			✓
	Amendments to PAS 28: Investment Entities - Applying the Consolidation Exception	✓		
	Amendment to PAS 28: Measurement of Investment in Associates at Fair Value through Profit or Loss* (*effective January 1, 2018)*			✓
	Amendment to PAS 28: Long-term Interest in Associates and Joint Venture* (*effective January 1, 2019*)			✓
PAS 29	Financial Reporting in Hyperinflationary Economies			✓
PAS 32	Financial Instruments: Presentation	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 32: Classification of Rights Issues			✓
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	✓		
PAS 33	Earnings Per Share	✓		
PAS 34	Interim Financial Reporting	✓		
PAS 36	Impairment of Assets	✓		
	Amendment to PAS 36: Recoverable Amount Disclosures for Non-financial Assets	✓		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓		
PAS 38	Intangible Assets	✓		
	Amendments to PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization	✓		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
PAS 39	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✓		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions**			✓
	Amendments to PAS 39: The Fair Value Option**			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts**			✓
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets – Effective Date and Transition	✓		
	Amendments to Philippine Interpretation IFRIC 9 and PAS 39: Embedded Derivatives**			✓
	Amendments to PAS 39: Eligible Hedged Items**			✓
	Amendments to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting**			✓
PAS 40	Investment Property	✓		
	Amendment to PAS 40: Reclassification to and from Investment Property* (*effective January 1, 2018*)			✓
PAS 41	Agriculture			✓
	Amendments to PAS 41: Bearer Plants			✓
Philippine Interpretations - International Financial Reporting Interpretations Committee (IFRIC)				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓
IFRIC 4	Determining Whether an Arrangement Contains a Lease	✓		
IFRIC 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
IFRIC 6	Liabilities Arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			✓
IFRIC 7	Applying the Restatement Approach under PAS 29, Financial Reporting in Hyperinflationary Economies			✓
IFRIC 9	Reassessment of Embedded Derivatives			✓
	Amendments to Philippine Interpretation IFRIC–9 and PAS 39: Embedded Derivatives			✓
IFRIC 10	Interim Financial Reporting and Impairment	✓		
IFRIC 12	Service Concession Arrangements			✓
IFRIC 13	Customer Loyalty Programmes			✓
IFRIC 14	PAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	✓		
	Amendments to Philippine Interpretations IFRIC - 14, Prepayments of a Minimum Funding Requirement and their Interaction	✓		
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓
IFRIC 17	Distributions of Non-cash Assets to Owners			✓
IFRIC 18	Transfers of Assets from Customers			✓
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments			✓
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓
IFRIC 21	Levies			✓
IFRIC 22	Foreign Currency Transactions and Advance Consideration* (*effective January 1, 2018*)			✓
IFRIC 23	Uncertainty Over Income Tax Treatments* (*effective January 1, 2019*)			✓
Philippine Interpretations - Standing Interpretations Committee (SIC)				
SIC-7	Introduction of the Euro			✓
SIC-10	Government Assistance - No Specific Relation to Operating Activities			✓
SIC-13	Jointly Controlled Entities - Non-Monetary Contributions by Venturers			✓
SIC-15	Operating Leases - Incentives	✓		
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	✓		
SIC-29	Service Concession Arrangements: Disclosures			✓
SIC-31	Revenue - Barter Transactions Involving Advertising Services**			✓
SIC-32	Intangible Assets - Web Site Costs			✓

* These standards will be effective for periods subsequent to fiscal year 2018 and are not early adopted by the Group.

** These standards have been adopted in the preparation of financial statements but the Group has no significant transactions covered in both years presented.